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Near East & South Asia

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REGIONAL AFFAIRS

Official Interviewed on GCC-China Ties, AMF Achievements

44000526 Jeddah ARAB NEWS in English
15 May 89 p 3

[Interview with Dr. 'Abdullah al-Quwayz by Muhammad Ibrahim]

[Text] [boxed item] Jeddah, May 14—Dr. Abdullah al-Quwayz, assistant secretary-general of the Gulf Cooperation Council (GCC) for economic affairs and president of the Arab Monetary Fund (AMF), has recently visited the People's Republic of China and is quitting his post as head of the AMF in July. He talked at length to ARAB NEWS about the visit to Beijing, the GCC and achievements of the AMF. The following is the text of the interview which took place in Jeddah during the recent meetings of the GCC oil ministers.[end boxed item]

[Question] What were the aims and results of your recent visit to Beijing?

[Answer] I visited the People's Republic of China recently in response to a personal invitation I received from the "Chinese Association for International Understanding" which organized a conference in Beijing to study the strategies of development in Third World countries. The invitation came to me through the Chinese Embassy in Abu Dhabi. I went there and participated in the deliberations of the conference. I presented a paper on the strategy of development in the GCC member states emanating from the economic realities of these countries which export oil to most countries of the world and import all their other needs.

The strategy of development in the GCC countries was also shaped by the shortage of manpower and natural resources, the small markets of these countries due to scarcity of population and the lack of a strong and modern technological base.

Out of these particular factors, the development strategies were planned to achieve the following objectives: diversification of sources of income, exploitation of relatively cheap energy, making use of the available abundant capital, enlarging existing markets through removing barriers among the GCC member states themselves and, by concluding agreements with their trade partners, fair distribution of wealth among citizens, construction of the basic infrastructure according to the highest international standards and the welfare of humanity through the provision of education, health care and other social requirements.

This strategy was faced with a number of difficulties, including financial measures taken against GCC exports by foreign companies. For this reason, the member states

began to conclude agreements and revise their commercial relationships with their trade partners and become more active in international forums concerned with those problems which were fairly new to us. We were producing a single item (oil) which was demanded by every one and so we did not require a thorough knowledge of the market laws. Now we produce many items and are thus required to have a better knowledge of these market laws. For this reason, we entered into the international forums which discuss such matters.

The conference discussed the current situation and its problems, the new open-door policy of China, and the strategies of development of underdeveloped countries in Africa, Latin America and Asia. The conference provided a good chance for us to get acquainted with international experts and officials of Third World countries. We also met with the secretary-general of the ruling party in China who talked at length about his country's new open-door policy and the difficulties it is facing. He reiterated China's commitment to this policy, despite the present hurdles it is facing.

In fact my visit to China was educational more than anything else.

[Question] As a result of this visit how do you see the commercial relations between the GCC countries and China?

[Answer] There are wide prospects for bilateral cooperation. China has many things to offer us, such as food-stuffs, meat, raw materials and other equipment. On the other hand, the GCC can export to China such items as oil products, petrochemicals and other consumer goods. Therefore, I envisage many areas for cooperation in the commercial fields. There are also many investment areas that can be explored.

I have noticed that China was particularly interested in attracting foreign investments, but this matter is left to the estimates and calculations of the private sector regarding the question of profits and losses and the protections and guarantees China was ready to provide for their capital. However, the GCC countries are first and foremost concerned about investments in member states themselves as this was the policy decided by the GCC heads of state.

[Question] Are there any efforts being made at present by the GCC secretariat general to arrange a meeting between businessmen from the two sides?

[Answer] At present there is no such thing as there are no formal contacts between the secretariat general and China.

[Question] Local press reports recently spoke about the establishment of a Saudi-Chinese company. Did your visit have anything to do with the establishment of this company? What do you think about this step?

[Answer] My visit to Beijing had nothing to do with the establishment of the said company. As I told you the private sector may enter into joint ventures at their own discretion.

[Question] Was the establishment of political relations between the GCC member states and China a result of collective decisions or was it based on individual initiative?

[Answer] The answer to this question is not within my jurisdiction, but I can say the GCC countries always coordinate their attitudes without affecting the independent decision of any one of them. Each member state will act according to the dictates of its own personal interests and its readings of the political situation. The existing complete coordination among the GCC member countries does not contradict the fact that each member makes its own decisions.

[Question] What have the GCC countries done to overcome the barriers and restrictions imposed upon their exports?

[Answer] They have diversified their exports, undertaken measures to curb the diverse effect of the barriers, increased meetings with the importers and consumers in foreign markets, and commenced trade negotiations aimed at reducing customs tariffs imposed on their products. We hope that the ongoing negotiations will lead to positive results. Moreover, the GCC countries will try to be more active in international organizations, specially the GATT which deals with such matters.

[Question] Do you plan to have a new round of negotiations with the EEC?

[Answer] Yes, but an exact date has not been fixed yet. However, we are in constant contact with them.

[Question] It was recently reported that Oman had asked the other GCC members to allow her to impose customs duties on some items. How true is this?

[Answer] In 1983, Oman asked to be exempted from restrictions on imposing custom tariffs on eight items. These were hydrated oils, cement, plastics, electric bulbs, batteries, asbestos and others. This was stipulated in the Unified Economic Agreement signed in March 1983. Under Article 24 of this agreement, Oman was allowed to do so for five years. This period ended last year. The items were reconsidered and Oman was then allowed to impose customs duties on three items only. The request made by Oman was quite an ordinary matter. Some other member states have also asked to be exempted from some of the collective decisions, like Qatar, for example, which asked to be allowed to permit citizens with acquired nationalities to own real estate in Qatar for five years. It was also permitted to do so.

[Question] How do you envisage the implementation of the United Economic Agreement? Are you satisfied with the progress of implementation?

[Answer] We are not satisfied. The implementation of the agreement started fairly well, but it slowed down later because we tended to enter into "sensitive issues" that were directly involved in the question of sovereignty and the routine economic policies of the member states.

[Question] What were your most remarkable achievements for the Arab Monetary Fund?

[Answer] I took over as president of the fund on June 18, 1987, and have remained in the job for 22 months until now. (Dr. al-Quwayz will quit this post next July.) Last March in Amman (Jordan) the board of governors of the fund held its annual meeting, the second since I took over the presidency of the fund. The board crowned my efforts by approving all the programs I had initiated. They were:

1. The establishment of the Economic Policies Institute at the fund's headquarters in Abu Dhabi in collaboration with the International Monetary Fund and the World Bank: The institute commenced operations last October. The aim of the institute is to train Arab personnel from the ministries of finance and planning and central banks on the means of implementing economic policies, including the preparation of budgets, revenues, exchange rates and manipulation of foreign currencies. The institute also organizes short study courses for top officials in the aforesaid institutions who are basically in charge of drawing the economic policies. It encourages researchers in doing in-depth studies on some of the economic problems in the Arab countries to carry on these studies at the expense of the institute. However, this sort of activity has not started yet and I hope the institute will give it due consideration. Since last October, the institute held two training sessions; one of them was about privatization. A third session will be held sometime this month.

2. Complete revision of the policies and procedures of loan extending with a view to rationalizing and easing them.

3. A program to finance intra-trade among Arab countries: I have worked with my colleagues on this program since the very first day I became president of the fund. Last year it was forwarded to the board of governors in Muscat which asked for more research on it. Last March in Amman they approved it.

The program works as an autonomous organ which is independent from the fund and also from other shareholders. It has a capital of \$500 million of which the AMF has paid \$250 million, the Arab Fund for Economic and Social Development \$100 million, the Arab Banking Corporation \$25 million, the Riyadh-based Arab Investment Company \$2 million and a small

amount from the Arab Investment Guarantee Corporation. We are still looking forward to contributions from the Islamic Development Bank and other financial institutions so as to start implementing the program. The project will further boost trade among all Arab countries.

4. A study of some of the Arab monetary markets: The fund initiated a program to study 10 Arab monetary markets to evaluate their actual needs and provide them with the required technical expertise in legal and financial fields. The study primarily aims at improving the Arab markets. So far, four of the 10 markets have been studied and we hope that the study of the six other markets will finish before the end of this year. With the completion of these studies, the AMF will have a good amount of data about the Arab markets and will thus be able to provide them with needed technical experience. This program is being implemented with the help of the International Finance Corporation, the Asian Development Bank and a panel of Indian banks.

5. The gradual changing of the AMF from a development financing institution into a bank or an investment body which will receive savings to invest them in the international stock markets: This move aims at enabling the fund to enter vigorously into the international markets to provide its customers with a new feasible service and to increase its resources to be able to provide more loans to its members.

As a purely development financing institution, people will not be attracted to deposit their savings in the fund, though it is one of the biggest Arab financial bodies. So last March, in Amman, I asked the governors to set aside part of the fund's resources in the form of liquid money, so as to assure depositors that the fund is financially strong and can guarantee their savings. The governors approved the idea and the fund should become more active from now on in attracting savings.

In short, these were the five main programs I was able to implement during the 22 months I have headed the AMF.

Beside these programs, the fund provided experts to needy countries who required this kind of service, including Mauritania and the two Yemens. It also supplied Tunisia and Algeria with market expertise.

Through agreements with central banks in a number of industrial countries, the AMF was able to provide short-term training in these countries to a number of Arab personnel. Agreements were reached with Italy, Belgium, Sweden, South Korea and India to receive Arab trainees.

This will be an enriching experience for the Arab trainees, as it will provide them with access to the modus operandi of the monetary institutions of these developed countries. The program will also help create direct links

between the AMF and the Arab central banks and monetary institutions on one hand and between the AMF and the central banks of the developed countries on the other.

In addition to all this, the administrative and financial systems of the fund were completely revised and amended to make them compatible to the present status quo of the AMF. The technical apparatus of the fund was developed and a number of qualified Arab personnel were contracted to work for the fund.

[Question] How much is the capital of the fund and what have you done about the arrears?

[Answer] The capital is \$1.1 billion. There are four Arab countries who have so far not paid their contributions to the increase decided on the fund's capital. These are: Qatar, Sudan, Somalia and Lebanon. The board of governors decided to decrease the contributions of these countries and subsequently their voting strength in the fund's meetings. As for the overdues on loans, they stand at about \$195 million. About 95 percent of them are to be paid by Sudan and Somalia.

[Question] How many members does the fund have?

[Answer] All the Arab countries are members of the fund with the exception of Djibouti.

[Question] After all this success, why are you leaving the fund?

[Answer] I was recently re-elected assistant secretary-general of the GCC for economic affairs for a third term. This made it difficult and, at the same time, embarrassing for me to remain president of the AMF, so I had to resign.

Al-Quwayz Opens Course

Abu Dhabi, May 14 (SPA)—Dr. 'Abdullah al-Quwayz, president of the board of directors of the Arab Monetary Fund, opened a course on general financial statistics, at the new headquarters of the Institute of Economic Policies under the fund. The course, which will last up to June 8, is meant to acquaint the participants with the methods of preparing and presenting general financial statistics in such a way as to suit the purposes of economic analysts and evolving financial policies, Dr. al-Quwayz said. The course is being held in cooperation with the International Monetary Fund, he added.

The fund is very concerned with improving the technical assistance services rendered by it to the member states and hence the institute was set up, Dr. al-Quwayz said. It has been designed to serve as an instrument to strengthen the Arab technical expertise to which the implementation and follow-up of the financial and economic policies are entrusted and to serve as a pioneering center for applied economic research.

A consultative body comprising outstanding Arab personalities in the fields of economy, education and training, has been formed, mainly to evaluate the works of the institute and to put forth recommendations related to its annual programs and future trends, Dr. al-Quwayz disclosed. The body will hold its first meeting next month to review the activities of the institute and its performance since its inception, he added.

The institute is currently implementing a pioneering project for the unification of financial and economic terms. A permanent committee comprising eminent personalities well-versed in economics and foreign and Arab languages is supervising the work, Dr al-Quwayz concluded.

PALESTINIAN AFFAIRS

Philosophy Behind "Israeli-Palestinian Dialogue Committee" Discussed

44040420a Nicosia FILASTIN AL-THAWRAH
in Arabic 23 Apr 89 p 29

[Interview with Latif Dawri by Mujahid 'Ali Sharab: "Secretary of the Israeli-Palestinian Dialogue Committee and Role of Eastern Jews; Latif Dawri Preparing for a Counter Coup;" in Cairo; date of interview not specified; FILASTIN AL-THAWRAH note: The Israeli-Palestinian Dialogue Committee is an initiative of the Sons of Eastern Sects, P.O. Box 20373, Tel Aviv, 61204, Israel]

[Text] If the Israeli-Palestinian Dialogue Committee succeeds in making between 15 and 20 percent of eastern Jews switch their votes in favor of peace and a Palestinian state, that committee will have executed a coup against the one which was carried out by eastern Jews in 1977 and brought the Likud party to power. It is Mr Latif Dawri's point of view that if this is accomplished, the situation which was created in 1977 will be rectified.

The first official public dialogue between a PLO delegation headed by Abu-Mazin and a delegation of peace promoters and advocates in Israel headed by Latif Dawri, secretary of the Israeli-Palestinian Dialogue Committee, took place in Bucharest, the capital of Romania, on 2 November 1986.

[FILASTIN AL-THAWRAH] What was the nature of that dialogue, and what were the principles on which it was based?

[Dawri] The Palestinian-Israeli dialogue was started years ago, but it was a low-key dialogue and it was even conducted in secret in recent years. But after the PNC [Palestine National Council] issued resolutions about strengthening relations with Jewish, democratic forces, that dialogue took on a new and a more effective form. To date, I believe that the most important dialogue between Palestinians and Israelis was the one held in Romania on 2 November 1986. That was when the

Israeli peace delegation, which I had the honor of chairing, met with an official PLO delegation chaired by Mr Mahmud 'Abbas, Abu-Mazin. Since then, the dialogue has assumed broader forms, stirring extensive reactions in the world, especially in Israel where four people, including me, were put on trial. We were given a suspended prison term of 1.5 years, and we were sentenced to serve 6 months in jail and ordered to pay a large sum of money as a penalty.

We succeeded in breaking the Knesset law barring contact with the PLO. After we did that more than 100 Israelis met with PLO representatives in Budapest, Cyprus, Geneva and now in Cairo. None of them was put on trial.

[FILASTIN AL-THAWRAH] Why is that?

[Dawri] Because the Israeli government wants to avoid an outcry. I believe that these meetings will undoubtedly become broader and more numerous after the recent PNC decisions and after the PNC's declaration of an independent Palestinian state—a declaration that we sanction and salute.

[FILASTIN AL-THAWRAH] What, in your opinion, would be an appropriate solution to the Palestinian problem and to the Arab-Israeli conflict which is now being defined and limited as a Palestinian-Israeli conflict?

[Dawri] The only realistic and appropriate solution would be to establish an independent Palestinian state next to the state of Israel. This is the inevitability of history. One part of the Partition Decision, which involved the establishment of a Jewish state, was carried out. Now, the second part of that decision, which involves the establishment of a Palestinian state, must be realized. As you know from your observations, the Israeli public did not support talks with the PLO. But after the Algeria resolutions were declared and after Abu 'Ammar delivered his historical address in Geneva, we saw positive developments on several fronts.

First, on the political front, two political parties—the United Workers Party [MAPAM], and the Citizens' Rights Movement [RATZ]—which are affiliated with Zionist parties in Israel, declared officially for the first time that they were asking the government to hold talks with the PLO.

Second, on the popular front, we heard for the first time in the history of Israel—and this is very important—an official declaration from the largest popular peace movement in Israel, the Peace Now Movement, asking the government of Israel to hold talks with the PLO.

[FILASTIN AL-THAWRAH] But why wasn't this reflected on the results of the recent parliamentary elections?

[Dawri] There are several reasons for the lack of agreement with Israel's peace forces during the past elections. First of all, we saw religious parties mobilizing all their forces for the first time, and Jewish rabbis in the United States for the first time instructed their followers to go to the polls. Religious parties won 18 seats in parliament, and that gave the Likud and the remaining Fascist forces in Israel the upper hand. Nevertheless, approximately 50 percent of the vote went to labor and leftist parties. It is unfortunate that not all Arab voters in Israel voted for the leftist parties. The loss of two or three seats was enough to give right-wing forces a victory. That is very unfortunate. I believe that the present balance in Israel's elections will be temporary.

[FILASTIN AL-THAWRAH] Are you referring to the government's term in office, to the existing coalition or to the call for early elections?

[Dawri] I give this government no more than 7 months. After that this government will be dissolved and new elections will be held. The prime minister will not be able to withstand the political, economic and social crises inside the country, nor will he be able to resist American and European pressures from abroad. These pressures will lead to elections on the international conference and talks with the PLO. In my judgment, that will happen within 1 year.

It is both laughable and sad that while the PLO declined to recognize Resolutions 242 and 338, Israel declared that it approved of these resolutions. Now that the PLO has recognized these resolutions, Israel is ignoring its previous acceptance of them.

[FILASTIN AL-THAWRAH] Do you believe that a democratic state will be established in the future for all the residents of Palestine?

[Dawri] We have to establish a Palestinian state first. Then, when the Israeli people develop a sense about the virtues of peace, we can tear down the walls. A democratic state would be an ideal solution for the future.

[FILASTIN AL-THAWRAH] The dialogue committee is an initiative undertaken by the sons of eastern Jews. And yet, most eastern Jews in Israel vote for the ultra extremists. What is the reason for that?

[Dawri] In the recent elections 40 percent of the eastern Jews voted with the so-called labor parties. They also voted for Israel's communist party, RAKAH. Approximately 60 percent are still voting for religious parties, for the Likud and for the Fascist right wing. This is due, in part, to the injustice they suffered during the 30 years when the Labor Party was in power.

MAPAM was in power from 1948 to 1968; from 1968 to 1973 it was the Labor Party (MAPA'I [Workers Party of Israel] + Unity of Labor Party + RAFI [Israeli Workers List]) ; from 1973 to 1977 it was the Labor Coalition

(Labor + MAPAM). The Labor Party clearly discriminated between the sects. In the 1977 elections the eastern sects avenged themselves by voting the party out of office. This was repeated twice after that. It was the generation which was born in Israel to eastern Jews that carried out the political coup in 1977. That was their punishment for the Labor Party; it is a punishment they continue to use against the party.

[FILASTIN AL-THAWRAH] Will the tables be turned, and will eastern Jews avenge themselves against the Likud bloc?

[Dawri] This is our goal, and that is why we founded the Dialogue Committee. We hope to sway 20 or 15 percent of those Jews from the right to the left.

Palestinian Policy of Noninterference in Jordan Described

44040420b Jerusalem AL-BAYADIR AL-SIYASI
in Arabic 6 May 89 p 16

[Article: "Palestinian-Jordanian Relations Going through New Stage; Relations To Be Strengthened after Nonintervention in Events in Jordan; Offices Previously Closed To Be Reopened; Jordan To Mediate between Syria and PLO"]

[Text] Numerous questions were raised during the past 2 weeks about the reason why there was no Palestinian intervention in the recent events which occurred in south Jordan. Questions were asked about the future of Jordanian-Palestinian relations after the new government of Zayd ibn Shakir was formed. The questions are appropriate, especially since the Jordanian monarch made several statements commending the Palestinian leadership's magnanimous political position. In this brief article we will try to review the Palestinian position and its effects on the relationship between the two parties during the coming months.

When things started happening in south Jordan, it became evident to everyone that those who were responsible for what was happening were native Jordanians who live in south Jordan. This is why it became obvious that the conflict in Jordan was an internal conflict and not something else. It was at that point that the Palestinian command issued instructions directing all Palestinians in Jordan not to interfere in the conflict. These instructions were based on a fundamental and unequivocal principle: We, [the Palestinians], refuse to interfere in the internal affairs of any country, just as we refuse to have anyone interfere in our own internal affairs. The Palestinian command asked Palestinians in Jordan to remain neutral because any intervention on the side of one or another party in the conflict could be interpreted as a sign of the Palestinians' involvement in these incidents. It was essential to stay as far away from that as possible.

Numerous departments in the PLO considered the situation, evaluated the events and came to significant conclusions.

First, instability in Jordan now would not serve the interests of the cause and would not serve the interests of the current political course which is being pursued. Such instability may be used to turn the world's attention toward Jordan and not toward the occupied areas. That in itself would be a blow to Palestinian accomplishments.

Second, King Husayn, the Jordanian monarch, has recently been making overtures which are bringing him closer to the organization. The PLO's relationship with the king has developed; it has become relatively better than what it was in 1987 and 1988. The relationship is especially better than it was after Jordan decided in February 1986 to stop coordinating matters with the PLO.

Third, Jordan is playing a prominent role in the political activity which is taking place now. Any change in the ruling regime now could change the political map and could turn matters upside down. Such a change could make Israel interfere and, consequently, deal a blow to Palestinian accomplishments inside the country.

Fourth, protesting high prices was the distinguishing mark of the incidents which were also a protest against the government's position and against Jordan's former prime minister, Zayd al-Rifa'i. The incidents were about internal matters.

The PLO did not interfere in Tunisia or in Algeria in the demonstrations which occurred there over bread. The organization stayed neutral, and it even tried to offer its assistance to Tunisians and Algerians to help them overcome their economic difficulties. The PLO offered Tunisians and Algerians its backing and support. The policy pursued by the PLO with Tunisia and Algeria was pursued immediately with Jordan.

Fifth, it was feared that Palestinians might be dragged into these incidents on instructions from hostile forces whose aim was to hurt Palestinians. That is why strict instructions were issued to Palestinians, ordering them not to interfere or get involved in these incidents because Palestinians did not need to get involved in another secondary battle at the present time.

This Palestinian position was reported to the Jordanian monarch who managed to abate the people's fury after his return to Amman. The king decided to remove Prime Minister Zayd al-Rifa'i from office and to appoint al-Sharif Zayd ibn Shakir prime minister.

It may be said that Jordan and Palestine will experience a new stage in their relationship, after the new Jordanian government is formed, but especially after Syria's point man in Amman, Zayd al-Rifa'i, is removed from office.

Mr al-Rifa'i had reservations about developing a relationship with Palestinian leaders. He was the one who contributed significantly to the deterioration of that relationship 3 years ago.

In the letter in which he charged al-Sharif Shakir with the task of forming a new government, King Husayn hinted that working for political liberalization in Jordan was necessary. The king said that people must be given liberties and must be granted the right to vote. He said that plans had to be made for major, important political reforms. Since the Palestinian position on the incidents in Jordan remained calm, observers expect King Husayn to renew his contacts with Palestinian leaders. They expect him to grant those leaders in the coming period additional privileges and the freedom to engage in political activity. They expect him to permit the reopening of a few offices which had been closed after Jordan decided to stop coordinating matters with the PLO.

The coming stage will bring about a greater rapprochement between Jordanians and Palestinians. There are observers who expect King Husayn to play an important role mediating with Syria to improve that country's relations with Palestinian leaders. They say the king will try to create an atmosphere of solidarity and understanding between the Palestinian and Syrian sides, especially after Algeria's efforts to improve relations between Syrians and Palestinians reached a dead end during the previous period. But there are observers who do not expect the king's mediation to succeed. In fact, they expect relations between Jordan and Syria to turn cool as a result of Zayd al-Rifa'i's removal from office. Nevertheless, despite al-Rifa'i's absence from the center of power, Jordan will try to play a neutral role with Syria.

As a result of the anticipated concrete progress in relations between Jordan and Palestinian leaders, contacts between the leaders of both sides are continuing non-stop. The Palestinian president is expected to visit Amman this May to prepare and reinforce the new environment for this relationship. He will be visiting Amman to write a new chapter in the history of that relationship and to be briefed by King Husayn on the outcome of the king's talks with U.S. officials in Washington.

It is expected that a new phase of cooperation in Jordanian-Palestinian relations will begin. But to what extent is this expectation correct and properly placed? This is the question which will be answered during the coming weeks by diplomatic actions and communications between Jordan and Palestine.

Communist-Islamic Tensions Surface in Nazareth *44040427 Haifa AL-ITTIHAD in Arabic 14 May 89 p 6*

[Article: "Islamic Movement in Nazareth Reveals Its True Face!"]

[Text] Nazareth—Resentment pervaded the city of Nazareth yesterday and the day before over an inflammatory

demonstration carried out by the Islamic Movement on 12 May 1989 under the guise of "protesting the decision to increase city taxes."

Through this demonstration, the movement revealed its true face as a political movement with no concern other than to attack the city of Nazareth and its frontline administration. The attention of many in Nazareth was caught by the fact that the Islamic Movement was making "history," since this was its first demonstration since it was established. It was not a demonstration against the Israeli occupation and its brutal crimes, nor against the barbarous attacks in the occupied territories on mosques and clerics, nor against the bloody attacks and the wave of vicious provocations against the Arabs inside the country. They chose instead to demonstrate only against the municipality of Nazareth. The point of the demonstration was a political disgrace, since the Islamic Movement had announced that it was demonstrating against an excessive increase in Nazareth city taxes. The truth is that the municipality of Nazareth raised taxes 20 to 35 percent, depending on subject and classification and on services and locality. The average tax per residence had been 30 percent (based on a classification consisting of 16 degrees; in other words, for many residents, there was absolutely no increase). For small businesses and shops, the rate had been 20 percent. By comparison, the Islamic Movement itself raised city taxes in Umm Al-Fahm by 35 percent, resulting in an annual tax of 200 shekels per room (146 shekels in Nazareth). The same is true for the other local councils run by the Islamic Movement. What is worse is that the head of the Islamic Movement bloc in Nazareth, 'Umar Shararah, who is a member of the municipality finance committee, agreed to most items in the increase, abstaining on the residence tax only because it recommended a 25-percent maximum increase instead of 30 percent.

Nor did it escape notice that the leaders of the Islamic Movement were unable to conceal the true goal behind the demonstration. From the moment they took to the street, right in front of the ancient Mosque of Peace, they began to shout opposition to communism and to Deputy Mayor Tawfiq Zayyad, forgetting about taxes. One cry we heard was, "Zayyad, get out. Nazareth is free." (This was patterned after the slogan used by Zayyad himself and his communist comrades in the late 1950's and the 1960's during the Algerian revolution, which became a slogan used by all Arab revolutionaries and nationalists: "De Gaulle, get out. Algeria is free.") Today this has become the slogan of an entire people, which we use: "Rabin, get out. The West Bank is free." We heard another slogan: "We want to speak out. We do not want a communist." (This is patterned after the slogan used frequently in demonstrations by all the Arab people, "We want to speak out. We do not want occupation.")

The Islamic Movement lowered itself by using these slogans, since they not only demonstrated hostility to the communists, but also tried to turn slogans and cries used against the occupation, its crimes, and the occupying

government into slogans against communists. In doing so, they are directly serving that government, which the people of Nazareth immediately discovered and have begun to discuss.

East Bank Palestinian State Urged
44040439 Jerusalem AL-BAYADIR AL-SIYASI
in Arabic 13 May 89 pp 41-42

[Interview With Eli'ezar Kohen, Likud Party Member: "Cornerstone in Any Settlement: Topple King Husayn's Regime, Establish Palestinian State on East Bank of Jordan, Withdraw Israeli Army From Population Centers in Occupied Territories"; date, place not given; first eight paragraphs are AL-BAYADIR AL-SIYASI introduction]

[Text] Eli'ezar Kohen may not be a well-known figure but it is extremely important that AL-BAYADIR AL-SIYASI readers get acquainted with this type of Likud politicians, even though they do not agree with their opinions. Eli'ezar Kohen represents the new generation of Likud activists who may crystallize the image of the party's leadership in the near future.

"Has an awakening process begun in the 'nationalist (rightist) camp' in Israel?"

Our interlocutor describes himself as a "hawk." If a hawk speaks in this tone, it indicates that something interesting is occurring under the surface in the Likud.

It is worth noting that the interview was conducted prior to the recent events in Jordan. We must also not forget that Moshe Amirav began his awakening process from similar positions.

Eli'ezar Kohen said at the outset of the interview: I was born in Morocco in 1952 and immigrated to Israel in 1971. I studied international relations at Jerusalem's Hebrew University.

My opinions are based, within a realistic political viewpoint, on the Jewish people's right to the land of Israel. I try to see whatever can be done to make it possible, despite everything, to live peacefully with the Arab world. I consider myself Palestinian because Palestine is the literal translation of the land of Israel. I also consider that there is a Jewish Palestinian people living on Israel's land and that there is a branch of the Arab people who arrived here this century, in the previous century, or prior to that. The question is how to live with them peacefully.

I am a member of the Herut Center and a member of the party's Foreign Affairs and Security Committee. I have formed a league with doves from the labor party and doves and hawks from Herut—Arieh Hess and (Reserve) Colonel Yossi Shner from the Labor Party. As for the Likud members, they prefer not to reveal their identity at this time.

The matter requires me to be extraordinarily brave because I am facing numerous problems. My opinions are acceptable to nobody and matters are not easy. This compels me to face an extremely difficult reality. There are problems with Herut members, with Labor Party members, with Jews, and with Arabs.

[AL-BAYADIR AL-SIYASI] We are entering a phase in a serious political procession. But we are hearing, particularly at this time, voices in Herut that reject dialogue with the PLO. Do you support this position or do you have your own position?

[Kohen] I support dialogue with any Palestinian circle, provided that the dialogue is conducted on my plan. I am prepared to discuss this with any element or any circle whatsoever.

[AL-BAYADIR AL-SIYASI] Including the PLO?

[Kohen] In my plan, the answer is yes.

[AL-BAYADIR AL-SIYASI] We beg you to acquaint AL-BAYADIR AL-SIYASI readers with your plan, briefly.

[Kohen] The plan's principles are as follows:

"I do not wish to rule anybody who does not want me to rule him. I do not wish to persecute anybody—neither I nor the Israeli Army that acts in my name. I am looking for a solution and this is what I propose:

"Between the Palestinians and the Jews, the Hashemite Jordan constitutes an alien element. I say that there is a historical necessity that dictates that King Husayn abdicate and that another position be found for him. As the Iraqis obtained their right to self-determination in 1958 by toppling King Faysal, King Husayn's cousin, the same must happen in Jordan. In 1959, a similar attempt was made against King Husayn but he apprehended [the plotters] a few hours before the zero hour. I do not want anybody's blood to be spilled, God forbid. But Husayn has two options: accept a symbolic position in Jordan, like the queen of Britain, or leave the country. The Palestinian must be helped to rule Jordan. The Palestinian charter speaks of the land of Israel during the mandate, i.e. both banks of the river. But 'Judea, Samarra and the Gaza Strip' constituted only 30 percent of Israel's territories during the mandate. Therefore, when they rule Jordan, we will immediately depart from the population centers in the territories, meaning the major towns and villages. The problem will then become a small problem because we will have found a solution for 77 percent of Palestine's lands during the mandate and will have ended the occupation in the territories.

"Israel will play an important role in this state's life because Syria will try to attack it and will try to rule it, as it is currently controlling Lebanon. Syria seeks to form the Palestine-Syria state, i.e., the 'Greater Syria.' I

believe that we can conclude a peace treaty with this [Palestinian] state. The problem of the territories' status will then assume totally different dimensions."

[AL-BAYADIR AL-SIYASI] There is a problem here because there is no precedent showing one people dictating to another people where their homeland should be. What would you tell the Palestinian if he tells you that your homeland is not here but in Cyprus?

[Kohen] I have not determined this. The Palestinian leaders—'Arafat, Hawatimah, Habash and others—are the ones who have determined it. I can show you statements they made saying that Jordan is part of the Palestinian state. Had they not said this, it would not have occurred to me. The majority of Jordan's population is Palestinian. I am not the one who decides this. But this is the situation. I repeat that we will depart from the major towns and villages as soon as the Palestinian state is established in Jordan. Regarding the remaining territories, which constitute 5 percent, we will negotiate with the new government on them and, perhaps, not only on peace but also on a defense treaty.

[AL-BAYADIR AL-SIYASI] There is in the Likud a tendency which believes that Jordan is Palestine, meaning that the real Palestine is in Jordan. Are you a supporter of this tendency and what is the difference between you and them?

[Kohen] There are those in the "nationalist camp" who say that there is currently a Palestinian state, namely Jordan. This is, in their opinion, the identification of the problem and the answer to it. But this is not my opinion. I say that the Palestinians do not have a state at present because Husayn is keeping the state and denying the Palestinians the right to self-determination and self-rule. I say that that it is necessary to help the Palestinians to rule Jordan and the territories and that it is necessary to depart from the major towns and villages so that the Palestinians in the territories may become citizens of the Palestinian state. In Nablus, for example, they should be permitted to deal in the currency of the Palestinian state in Amman. I will not object to this. Generally, I will have no connection with them. Let them do whatever they wish to do because they will be citizens, in every sense of the word, in the Palestinian state, without any confederation or self-rule. As for sovereignty over the land, I propose that negotiations be held on this issue afterwards.

[AL-BAYADIR AL-SIYASI] The fears lying behind the formulas which say that the Palestinian state in the East Bank is that these plans pave the way for the "transfer." There is an important tendency in Likud which advocates the transfer [of Palestinians to Jordan]. What is your position on this issue?

[Kohen] I do not consider the transfer a solution and I do not propose such a solution. Several elements have tried this but I see no solution in it.

[AL-BAYADIR AL-SIYASI] However, don't you see in this [plan of yours] a preparing of the way for this kind of ideas even though you personally oppose the transfer?

[Kohen] I head the league in cooperation with members of the Labor Party. We have an understanding that this is not our course. If we are talking of the Israeli forces' departure from the population centers, we are not talking with the purpose of transfer. Our objective is totally inverse. Our objective is peace, even though I am known in the Likud as a hawk. I do not bury my head in the sand and say: This belongs to me, and that is that. I say: This belongs to me, along with the search for a peaceful solution. I am prepared, and I say this frankly, to make every possible effort to solve the problem because there is a problem and because it must be solved humanely. I don't think that transfer is the solution.

[AL-BAYADIR AL-SIYASI] What will be the settlements' future in accordance with this solution?

[Kohen] The question of the settlements' status will be brought up in the negotiations after the Trans-Jordan state is established and after the Israeli Army leaves. I am talking of an immediate departure in a matter of 2 or 3 days, perhaps even several hours, without negotiations—an automatic departure.

[AL-BAYADIR AL-SIYASI] Jordan is a UN member state and is recognized by all countries of the world. The number of states that recognize Jordan exceeds the number of those that recognize Israel. How can a political plan based on abolishing a neighboring state be considered? There is no precedent to this plan in the civilized world's diplomacy.

[Kohen] There certainly are precedents. Iraq, for example. The Hashemite family ruled Iraq. This family's rule of Jordan is also a farce which must be ended. This is the rule of a foreign element and the game of kings. I will be ready to acknowledge my mistake if Husayn holds elections in his kingdom and if the Palestinians do not gain the power. I am not talking of war or of change by force. I am talking about a democratic procedure in accordance with which the majority rules Jordan. The United States urges the application of democracy in numerous places, such as the Philippines and Chile. I, in my turn, am urging that the real forces take hold of power in Jordan.

[AL-BAYADIR AL-SIYASI] Yet the regime in Jordan is stable and is accepted by the Jordanian people.

[Kohen] What do you mean by the Jordanian people? There is no presence of a Jordanian people. This is a mere illusion. King Faysal II's rule of Iraq was stable until it collapsed. Who would have believed that the rule of the shah of Iran would collapse one day?

[AL-BAYADIR AL-SIYASI] Don't you think that the settlements may be a source of friction with the Palestinians and may expose the scenario you are offering to danger? The settlers will not take part in any political solutions and they are declaring this openly.

[Kohen] If I offer the plan and it gains the PLO's approval, I am prepared to guarantee that all Israeli citizens will support it.

[AL-BAYADIR AL-SIYASI] Will the settlers agree to the Israeli Army's immediate withdrawal?

[Kohen] After the establishment of the Palestinian rule in Trans-Jordan, I am fully convinced, relying on this plan which provides for our departure from the population centers, that the chances of friction will diminish [word illegible]. Our departure will pacify the situation greatly. There may continue to be few Palestinians who will try to engage in terrorist acts. But the Palestinian police will deal with the matter.

[AL-BAYADIR AL-SIYASI] But will the settlers engage in terrorist acts?

[Kohen] The police, as well as the Army, can prevent illegal acts.

[AL-BAYADIR AL-SIYASI] Meaning that within the government, the Likud will be compelled to act against the settlers?

[Kohen] I believe that the settlers will accept my plan and that there will be no need to use force against them. We are talking of a Jewish situation that leads to pacifying the area. Yitzhak Shamir is also talking of the need to hold similar negotiations, but on a different basis.

[AL-BAYADIR AL-SIYASI] How does your plan fit in with Shamir's plan?

[Kohen] My plan does not fall within the framework of Shamir's plan because according to Shamir's plan, Husayn will stay on his throne. I don't think that the solution Shamir is offering is real because any plan that does not include Husayn's [ouster] is impractical.

[AL-BAYADIR AL-SIYASI] But Shamir has said repeatedly, and during his latest visit to the United States, that the Palestinian state will be established in Jordan.

[Kohen] He has not said this. Shamir talks of a possible confederation between the self-rule to be established in "Judea and Samarra" and Jordan.

[AL-BAYADIR AL-SIYASI] What, in your opinion, is wrong with this?

[Kohen] This is not a solution because we will impose Husayn's rule on the Palestinians. This is unreasonable. King Husayn will do one of two things: try to create the Palestinian state in Judea and Samarra or try to persecute the Palestinians.

[AL-BAYADIR AL-SIYASI] What is intended is a confederation, meaning that the Palestinians and the Jordanians will be equals in an equal position.

[Kohen] It does not seem to me to be a reasonable or realistic solution. Husayn is an alien element in the area. His throne is exposed to collapse and any treaty with him is very much like writing on snow.

[AL-BAYADIR AL-SIYASI] Yasir 'Arafat recently proposed, in his interview with the Israeli journalists in Cairo, establishing a confederation between Israel, Palestine, and Jordan. What is wrong with this kind of solution?

[Kohen] This is a public relations maneuver. The proposal is not realistic and it seems that he did not mean it seriously. These are just words. The cornerstone in any settlement is Husayn's ouster.

Music, Literature of Intifadah Profiled

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HA'ARETZ in Hebrew 17 Mar 89 p 7

[Article by Uri Nir: "The Song of the Children of the Stones"]

[Text] Blood and tears, earth, and stone, the holy slain and suffering, sovereignty and hope. These are the materials of reality of the Palestinian intifadah [uprising] literature on the West Bank and Gaza. These days, the first fruits of this literature are being published in an unprecedented quantity in the territories. Their thematic variation is, indeed, not great, and the literary level is not always the best. But, the material is very vast and rich in images.

A perusal of the new literary creation in the territories (almost all is in the realm of poetry) makes it possible to get an exclusive angle or perspective on the cultural world of the Palestinian rebels and paves additional channels for the observation of the processes occurring in Palestinian society.

The general picture that emerges from the literary harvest of the first 15 months of the intifadah is sufficiently placative, overflowing with feeling and pathos that often goes beyond mere sentimentality. This is literature that is "drafted" as always for a national matter, but, in spite of that is authentic enough, expresses new contents of new authors, most of whom are from the stratum of stirred up youth from among the Palestinian intelligentsia.

Most of the latest publications were published by the Society of Palestinian Authors in the West Bank and Gaza. Collections of poetry and short stories are not displayed for sales in the bookstands in East Jerusalem or in the territories, apparently due to stand owners' fear of oppression by the security forces. Distribution is accomplished mainly by secret means, by hand-to-hand selling or underground-like presses, which lend a sense of intrigue and improve the effect of the written word.

A fascinating selection of poems and stories from the best of the intifadah literature may be found in "The Stone Creations." This is the title of two new anthology volumes (the third is in preparation) published by the Society of Palestinian Authors. The purpose, as stated in the foreword of "The Stone Creations" is "to participate in the symphony of the confrontation and to approach the dawn of independence and liberty." The foreword further stated: "We attempted to choose Palestinian hymns that were written during the intifadah, in the hope that, we may succeed in this manner to participate in the confrontational activities and the call of complaint that the masses of our people decay day after day, hour after hour.

The first part of the anthology was published last October, and the second part, less than a month ago. On the cover is a boy holding two large stones, in a throwing position, and his face is scrunched up in a look of fury and exertion.

Almost all of the writers are young, between the ages of 20 to 30. Perhaps in a few more years they will be termed "the intifadah generation" in Palestinian literature. A few years ago, the names of al-Mutwakkil Taha, 'Abd-al-Nasir Salah, 'Azit al-'Azzawi, and Sami al-Kilani were unknown in the territories. Today they set the tone. They stand today at the head of the Society of Palestinian Authors, and through their inspiration the general ideological line of literary creation in the territories is being crystallized. Their friends are convinced that, because of this, the majority of them have spent most of the days of the intifadah in administrative detention. The detention camp at Qetziy'ot has become a writing workshop and a source of endless inspiration. Many in the Qetziy'ot camp (the prison with the highest level of education in the world, according to its inmates) have spent the better part of their time there writing. The results are being published these days.

The veteran literary editor of the newspaper AL-FAJR, 'Ali al-Halili, one of the most important people in literature in the territories, slightly deviates from the contents and style of the latest literary flow of his young colleagues. In his judgement, a quick fling of the pen is too similar to flinging a stone. "The value of literary works of this type is more folklore than artist," he says. "But this, too, has its place."

In the estimation of 'Ali al-Halili, who has several research books and critiques on the Palestinian literature in the territories, "a certain amount of polish is lacking in the new literary works. The young authors are apparently not sufficiently aware that their works will enter into Palestinian history as literary documents of a unique period of time. The intifadah is neither a revolution nor a war. It is a unique movement that requires unique treatment," says al-Halili. "It is not sufficient to sanctify the stone. I sanctify also he who is holding it, as well as that which surrounds him." Therefore, he chose to publish a poem on trees in the second part of the anthology, trees symbolizing the humanity surrounding them, he explains. And the poem tells of "trees that are growing and developing against the gods of destruction/ growing and breaching the impasse."

The stone is, without a doubt, the central motif in the new Palestinian literature in the territories. The variations on the subject of the stone are many, not only in the writings of authors and poets in the territories, but also abroad, and not only the fruit of the Palestinian pens. Well known to many is the trilogy, "Children of the Stone," of the famous Arab poet Nizar Qabbani, but not many know that even the Minister of Oil Affairs in the United Arab Emirates in the Gulf, the Emir Dr Mana' Sa'id al-'Utayba, recently published a four-verse poem on the stones of the intifadah.

One example of many of the songs of praise to the stone, written within the territories, is the poem of 'Abd-al-Nasir Salah entitled, "In the Beginning There Was the Stone." Salah is a second-generation Palestinian poet. His father, Muhammad 'Ali Salah, is among the Palestinian community leaders from the period of the British Mandate and one of the notable Palestinian poets in the same years, who died full of years in his city Tulkarem last week. This, then, writes the son Salah in a poem that he wrote in the Qetziy'ot prison:

"In the beginning there was the stone/ A house, an idol to its worshipper/ And today the stone has become/a symbol of achieving sovereignty./ They will fly together like the flight of the dove/ They will fall like arrows/ A stone that will build a state/ and will erase the destruction of the tents/ A stone that will bring fear/ to the light after the era of darkness."

Like Salah's poem and other poems of this type, in which the style is simple and intentionally placative, a sort of lyrical graffiti, so, too, is the short allegorical story of Jamal Junayd, which is also in the framework of "stone works," written in great simplicity, folklore-style, in the manner of a folk tale. The fable is clear, the moral is clear, and the reader can enjoy immediate catharsis.

"King David and the Stones" weaves the tale of King David, who confiscated firearms from his subjects when they began to strike his soldiers. The subjects pondered what to do, but couldn't decide. Until, one day, a small boy threw a stone at a dog and drove it away. They

decided to use stones against the king's soldiers and succeeded. The king asked his adviser what to do, and he suggested arming the soldiers with stones to use against the subjects instead of firearms. The soldiers failed, of course. The adviser advised getting them special training in stone throwing. The soldiers again failed opposite the subjects, and they mocked the king, saying: "Our stones, King David, are stronger even than the weapon that you have in Dimona." Afterward, the king imported special slingshots for hurling stones, such as the subjects used, but, it was, of course, in vain. The soldiers began to rebel and complained that they were mocked and derided by the subjects.

"One day the king was drowsing and in his sleep one of the stones came and spoke with him. The king asked him: Why do you love the people of the villages and cities?

"Because I am of them and they are of me, replied the stone.

"And the soldiers? asked the king.

"The earth does not love injustice, replied the stone.

"And the king? he asked.

"The king—he is Satan, said the stone and hurled itself into the air.

"The king turned to his adviser and the two of them decided to confiscate all of the stones. They used trains and trucks, built a large mound of stones, at its top the king's palace, and surrounded it with wire fences. All of the soldiers guarded the palace, until one day the rain came and flooded the soldiers with stones, and the subjects returned to build their houses from the flood stones. In the courtyard of the king's ruined palace they set up a small monument of stone in the image of a soldier."

The heroism in the intifadah poem is the legacy of the "martyr" (the slain of the holy war). The exploits of heroism that are embroidered around it and the love of the masses for it are reflected in the verses of scores of blood-filled poems. The poem of Muhammad Sarim, for example, is dedicated to the heart of the martyr, that burns in him like the glowing ember of love for the pretty maid of fire, and it "imbues our rights in the days of victory."

The poem of Yusuf Nasir, "Intifadah," reflects well the purifying and cleansing role that is imparted to the Shahid. He speaks of "the birthplace that is smeared with spilled blood." In the new book of poet Yusuf al-Muhammad, "Shouts of Joy in the Gates of Morning," is a long poem on the Shahid, whose spirit raises the dawn of life: "He did not sigh and was not disappointed/ when the bullet drained the words/ in his

mouth/ Because he did not die/ they did not kill the life in him/ He rises now and again rides/ upon the horse of yearning/ In his hands the heart is glad/ for the sun and the dawn of life."

An especially interesting motif that is anchored in the Palestinian folklore is the treatment of the holy slain as bridegrooms on their wedding days. 'Ali al-Halili, who is currently completing a book on the folklore of the intifadah, explains that the martyr merits the position of a holy man, whose body did not decompose in the ground and whose soul went up to heaven. "If he is young and unmarried," explains al-Halili, "he is grasped as a bridegroom at his wedding. The popular slogan in the Palestinian folklore on the slain holy man says, 'At night his blood is his wedding.' It is as if he married the earth and his soul married heaven." Examples of this idea are not lacking.

The young poet, Sami al-Kilani, also a member of the Society of Palestinian Authors, dedicated a large portion of his new book to the martyr. The title of the book is "He Kissed the Ground and Found a Resting Place," and on the cover is a picture in a naive style of a large blood stain from which two anemones are growing. In one of the poems in the book it is said: "Stop and wake!/ bend an ear and listened/ This is the poem that rises/ This is the sound of the stone/ This is the shadow above our heads/ The shadow of the flag/ The blending of the precious blood/ in the precious ground/ that the women knead into the henna/ for the wedding, in which the dowry/ is the stone." (The henna powder is used for decoration on happy occasion, and it is designed for its purifying properties.)

In a slightly different variation, this idea appears in the latest book of al-Mutwakkil Taha, head of the Society of Authors: "This intifadah is a wedding/ and the dowry is expulsion and martyrs/ and the terrible prison/ and the thousands who suffered injury/ and the destruction of homes/ and a river of tears/ or sweat." Again, in a slightly different variation, in the poem of Yusuf al-Muhammad, "The Dowry of Fire": "Time is a storehouse for lead/ and within it it meets with tears/ Time is a storehouse for the anthem of the street/ And the shouts of joy of the start of the wedding/ are carried by the women/ while the dust embraces the clean body/ and the hour of prayer begins."

Another striking motif in the intifadah literature is the generation gap. This is expressed in the words of praise and admiration for the children of the uprising who confront the soldiers daily, and in the words of criticism for the representatives of the grown generation, that is disciplined, and would not dare to come out against the occupation and rebel. An example of this may be found in the impressive poem, "The Veiled Face," by Samih Faraj, or in the poem of Muhammad Shahada, "A Boy."

The Gaza author, Muhammad Isma'il Ramadan wrote a short story with four scenes, that describes three children who receive a direction from the Mukhtar of their village to present themselves in the offices of the military government in the nearby village for interrogation, and the three of them tore the forms to pieces. The three, who would hide in a cave for fear of the authorities, went to the village at night to put up posters opposing the Mukhtar, who had become a medium for enforcement in the hands of the occupation forces. In the posters they demanded that he resign and return his seal to the civil administration. But the Mukhtar demanded that the Imam denounce the children during his sermon in the mosque and that he describe them as heretics because they sanctified the stone and worshipped it.

One day, the Mukhtar went to a meeting with the heads of the civil administration, but they they turned away his request. He returned to the village and gave out false promises in the name of the authorities to make amends with the residents on the condition that the parents "take the stone from the hands and minds of their children," and would get rid of all of the stones from the terraces along the roads in the village. The three children decided to put an end to the matter and "to do what was required," and one night they went out to the village loaded with stones "to pluck the Mukhtar's feathers."

It is difficult to find many treatments of Israelis in the literary works of the intifadah. This is a literature of a society that deals with itself, and only rarely takes an examining look at the society in its neighborhood. One treatment of Israeli-Jewish contents may be found in one of the poems in the latest collection of al-Mutwakkil Taha, in which he details the ten commandments of prison at the Qetziy'ot jail: "Thou shalt not pity and thou shalt not feed/ Thou shalt not give and thou shalt not permit/ except that which you find/ And check well the eyes of the prisoner/ Spray their room with gas," and so forth.

In this connection, the poem of Yusuf al-Muhammad entitled, "To Daliya Rabikovitch" is especially interesting, and is accompanied by a footnote explaining the he is referring to a "progressive Hebrew poetess." The parallels in the poem are all too clear and horrific. Thus writes Yusuf al-Muhammad to Daliya Rabikovitch:

"Perhaps you should write/ about a bud that remained in the womb of the yearning/ It did not cry tears nor did it smile/ Its hands were not exposed./ Perhaps you should write/ about a bud that did not say no to Satan/ Whose eyes were not opened/ and the morning sun did not smile upon it./ About a bud whom slumber still buries/ in the resin of jasmine/...

"Perhaps you should write about a laborer whose beloved they killed and laughed/ About a laborer whom they burned alive, Daliya, and laughed./ Perhaps you should write/ about us and about me/ Oh, Daliya/ about the boy discovered in Jebaliya/ or in Jenin on the cross/ and about the bullets/...

"Perhaps you should write about them and about you/ and remember the boy in the terrible furnace/ Perhaps you should remember the boy on the steel train/ and the faces drenched with tears and crying/ Perhaps you should write/ about the mother of the promenads and the dead fetus in her belly/ Or call for the coming of peace/ for the sake of the import of peace/ and in its hands the jasmine of love/ Oh, Daliya,/ it will appportion to the children/ and to the needy/ it will sow our existence with jasmine."

The poetess, Daliya Rabikovitch, was surprised to hear this week of the poem dedicated to her. She was not aware of it. But the Palestinian poet hadn't known that Daliya Rabikovitch had, indeed, written a poem about a laborer who was burned alive. The poem was written, but has not yet been published, she said two days ago.

A Strong Appeal to Emotion

Dr 'Ami El'ad, a research fellow at the Truman Institute of The Hebrew University in Jerusalem, is a researcher of Arab literature who is also expanding to Palestinian literature. He divides the Palestinian literature into three branches: literature written abroad by expelled Palestinians; the literature written within the borders of the State of Israel; and the literature of the residents of the territories. Each branch has its own distinctions.

He points out that until 1967 the development was actually impressive in only two of the branches of Palestinian literature: that of those in exile and that within the borders of the State of Israel. The flourishing of the third branch began, in essence, only after the war, which had a decisive influence on the other two branches, as well. The main influencing factor for change was the gradual opening of Palestinian literary people to one another everywhere. Connections were formed, contents and influences mutually penetrated among the three writing populations and among them and the Arab literature throughout the world. The change is noticable in all of the literary characteristics, from contents through style.

The literature in the territories, in contrast to that of Israeli Arabs or Palestinians in exile, is distinguished by stronger national- territorial character lines. In contrast to the other two branches, it is very difficult to find contents in it that do not touch on the national matter or on the daily existence under the Israel occupational forces. The other central subject touches on the struggle with the reactionary forces in society. This is a typical topic for the Marxist writers, whose part in the literature of the territories is all too honored.

"The intifadah literature radiates a sense of 'we did this,' a sense of achievement," says Dr El'ad. "It remains very placative and, of course, very inspiring and motivating.

"It has a lot of poetry and a relatively minimal amount of prose. Poetry has a more immediate effect, a stronger appeal to emotion." It is no coincidence, says Dr El'ad, that significant novels have yet to be published in the territories, certainly not in the days of the intifadah. Therefore, we need perspective, breathing space, a much greater and possessive social-cultural inner maturity of society in a crystallized public framework.

BAHRAIN

Bahrainization of Government Jobs Discussed 45040450b Manama AKHBAR AL-KHALIJ in Arabic 17 Apr 89 p 8

[Interview With Shaykh Sabah ibn Salman Al Khalifah, Head of Civil Service Bureau's Employment and Appointment Section: "Head of Civil Service Bureau's Employment and Appointment Section: Coordination Between Ministries and Civil Service Bureau To Bahrainize Government Jobs; Employment of Graduates in Ministries and Introduction of New Jobs Is Ongoing Process"; date and place not given; first four paragraphs are AKHBAR AL-KHALIJ introduction]

[Text] Shaykh Sabah ibn Salman Al Khalifah, head of the Civil Service Bureau's Employment and Appointment Section, has talked to AKHBAR AL-KHALIJ about the employment policy in the state ministries and organizations. In the answers he gave to the questions addressed to him by this page's editor, Shaykh Sabah pointed out that there is coordination and cooperation with the ministries in bahrainizing the jobs and in working to achieve this objective whenever capable national manpower is available. He also said: The process of employment in the government is an ongoing process because the ministries' responsibilities and services are expanding constantly. The introduction of new jobs is an ongoing process to provide the opportunity to graduates.

Shaykh Sabah added: There is no discrimination between male and female graduates in the employment process. Some ministries resort to a number of contractors to hire some foreign workers for temporary work only while stipulating that Bahrainis be employed whenever they are available. He explained how centralization and decentralization operate in the government employment process, pointing out that the final approval in both cases is always with the Civil Service Bureau.

Shaykh Sabah also stressed that the extension of service in the government after the age of 60 has been stopped and that the assessment on filling any vacant job in any ministry is always left up to the ministry itself.

Following is the text of the interview with Shaykh Sabah ibn Salman Al Khalifah, the head of the Civil Service Bureau's Employment and Appointment Section:

[AKHBAR AL-KHALIJ] Regarding bahrainization in the government agency, does the Civil Service Bureau have a general plan or policy to bahrainize government jobs or is it left up to each ministry to try independently to achieve this goal on its own?

[Sabah] There is coordination and cooperation with the ministries on bahrainizing jobs whenever national labor with the required capability and experience is available. It is no secret to you that there are numerous government training centers in most fields which train and prepare the Bahraini citizen for the replacement process. There are cases which have provided the most magnificent example in training the Bahraini employee who is capable of shouldering higher responsibilities or responsibilities in precise and sophisticated professional fields.

[AKHBAR AL-KHALIJ] In an interview I had with him, the minister of finance said that the government employment process is ongoing. Is the employment confined to filling vacancies resulting from retirements and resignations or does the government, represented in the Civil Service Commission, find it part of its responsibilities to seek to provide employment to graduates?

[Sabah] There is no doubt that the employment process is an ongoing process. The ministries' responsibilities and services are expanding constantly. As a result, there is a constant introduction of jobs, thus providing graduates with other opportunities added to the opportunities resulting from retirement. For example, there were 248 cases of retirement in 1988. However, there may be less employment than in the past.

[AKHBAR AL-KHALIJ] Does not the bureau discriminate between male and female graduates in the employment process? What I mean is: Is the principle of equal opportunities applied in the area of employing both sexes? Are there certain percentages or limits which the bureau takes into account in employing males and females?

[Sabah] There is no discrimination between male and female graduates in the employment process. The principle of equal opportunities is present and no specific percentages are set for filling jobs. But in some cases, the nature of the work dictates giving priority to males. The inverse is also true.

[AKHBAR AL-KHALIJ] It has been recently reiterated that some ministries hire some foreign workers from contractors. Is this practice beyond the bureau's responsibilities and powers?

[Sabah] Some ministries have some emergency jobs whose execution requires concluding contracts with contractors to provide a certain service for a set period of time. Such jobs are executed by contractors when the ministries do not have the outfit or the manpower for such emergency jobs. There is a provision requiring the employment of Bahrainis whenever available.

[AKHBAR AL-KHALIJ] Why does not the bureau itself take charge centrally of employment for the government. What I mean is that when the Ministry of Health, for example, requests the appointment of a number of physicians, why does not the bureau itself make the announcement and conduct the tests and the interviews with the help of specialists? Why isn't the same done when the Ministry of Public Works appoints engineers, as the civil service commissions of some countries do?

[Sabah] Insofar as internal employment is concerned, the Civil Service Bureau does not use the centralized system of employment applications. Most ministries receive the job applications submitted to them by job seekers and select the most suitable applicants. As for the jobs that are difficult to fill, the ministry concerned asks the Civil Service Commission to supply it with proper job applications. If such applications are available in the bureau's files, we send them to the ministry. Otherwise, we advertise in the local papers and then refer all the responses meeting the job requirements to the ministry concerned. In coordination with the ministries, the bureau advertises in foreign papers the jobs that are difficult to fill locally. The bureau then sorts out and evaluates the applications and refers the appropriate ones to the ministry concerned. That ministry's officials then make another evaluation and conduct personal interviews and determine the most suitable applicants accordingly. Whether the employment is internal or external, final approval must be obtained from the Civil Service Bureau to make sure that there is a job vacancy and that the candidate meets the requirements of the job to be filled.

[AKHBAR AL-KHALIJ] Why is the extension of service in the government after the age of 60 permitted to some and not to others? Do not these exceptions affect the opportunities made available for the appointment of new graduates?

[Sabah] The practice of extending service after the age of 60 was terminated after issuance of Civil Service Bureau directive No 4 of 1987. The accounts of all those whose service had been extended were settled before the directive was issued and those employees were retired.

[AKHBAR AL-KHALIJ] Is employment from abroad confined to some countries and not others or does the bureau seek candidates wherever they are available when it wants to meet the state agencies' needs?

[Sabah] The process of employment from abroad is governed by various factors, some pertaining to the requirements of the job and the academic, experience and language qualifications needed to fill the job. The process is also governed by the availability of manpower in the country concerned. There are some countries that are more advanced than others in a certain skill or specialization. We always try to get the best manpower and skills.

[AKHBAR AL-KHALIJ] What happens when a job or a number of jobs become vacant in a ministry for any reason? Is the ministry required to appoint replacements or is this left up to every ministry's needs?

[Sabah] This is left up to the ministry solely. It is the party which makes the assessment.

Increased Demand for Island's Aluminum Reported

44040447c Manama AKBAR AL-KHALIJ
in Arabic 22 Apr 89 p 2

[Article by Hafiz Imam: "Sheet-Rolling Company's Sales Rise to 47,000 Metric Tons; New Furnace To Increase Company Production and Meet Demand"]

[Text] Al-Khalij [Gulf] Aluminum Sheet-Rolling Company recently achieved a considerable increase in its sales of sheet-rolled aluminum to the markets of North America, Europe, the Far East, and the Gulf area. The rise in demand for the company's aluminum sheets led to increasing production in 1988 to 50,000 metric tons, thus exceeding the plan's designed capacity of nearly 40,000 metric tons annually.

This has been stated by Salman Muhanna, the sheet-rolling company's deputy general director, who has said that the company is currently working to increase production to 60,000 metric tons in 1990. Muhanna added that the company was able in 1988 to increase its share in the major markets of the Middle East, North America, Europe, and the Far East. He said that the increased sales in these markets are a result of the company's continued high-quality production and on-schedule deliveries, in addition to an improved customer service. This has gained the company a reputation as a major and influential producer in world aluminum-sheet markets.

In a related development, Salman Muhanna asserted that sales figures have recorded increases in the major markets. In 1986, sales amounted to 21,834 metric tons, nearly doubling to 39,192 metric tons in 1987 and to 47,250 metric tons in 1988.

Last January and February, sales amounted to 8,877 metric tons, an average of 4,433 tons per month.

The sheet-rolling company's deputy general director noted that the main market for the company's products is North America, followed by the Far East, particularly Japan, and then by the Gulf and Middle East markets.

Statistics show that company sales in the North American markets amounted in 1988 to 56 percent, in Europe to 21 percent, in the Gulf and the Middle East to 8 percent, and in the Far East to 28 percent [percentages not identified].

Moreover, Salman Muhanna, the company's deputy general director, has asserted that a new blast [takhmir] furnace is under construction and that the resultant broader range of products will enable the company to redouble its capabilities.

Regarding the aluminum products marketing problems encountered in some foreign markets, such as those in the United States which has recently banned terms of preferential treatment for Bahrain's products, Salman Muhanna said that a 3-percent tax is levied on Bahrain's products. Despite this tax, the volume of our sales to the United States has not been reduced. This has only affected the profit margin.

In Europe, where a 7.5-percent tax is levied, we face a similar situation.

As for steps to build an aluminum foil unit in the sheet-rolling plant, the company's marketing director said that a team of British consultants is studying the possibility of setting up a unit to be built with private sector subscriptions.

Island's Water Difficulties Reported

44040447b Manama AKBAR AL-KHALIJ
in Arabic 19 Apr 89 pp 1, 5

[Article by Hafiz Imam: "Difficult Water Situation in Central Province in Coming Months; Consumption Expected to Reach 28 Million Gallons While Supply Is 24.9 Million Gallons; Water Rationing Will Be Resumed if al-Dawr Plant Is Not Put Into Operation"]

[Text] Sayf al-Bin'ali, the Water Supply Directorate chairman, has said that Bahrain's central province is facing a difficult water situation and the directorate expects this situation to worsen in the coming months (summer) if water consumption in this province maintains its present level of 26 million gallons daily; projections are that this consumption may reach 27 or 28 million gallons, whereas the resources currently available to supply the province, whether with desalinated or underground water, will remain unchanged, supplying 24.9 million gallons.

Engineer Sayf al-Bin'ali stressed that if the al-Dawr desalination plant is not put into operation this summer to add 9 million gallons of desalinated water daily to the province supply, the situation will become even more difficult and it is expected that we will resume rationing. He said that the directorate is currently preparing a comprehensive report on the country-wide water situation, which will be presented to officials during the coming summer. We will exert efforts to deal with this problem in the light of these officials' instructions.

Al-Bin'ali urged citizens to cooperate with the directorate and to try to ration their consumption as much as possible.

In a related development, Khalifah al-Mansur, head of the Electricity Directorate's Water Services, has emphasized that the central province's water problem stems basically from the fact that this province is supplied with water from limited resources. He said that the quantities produced by these resources, small [to begin with], are diminishing. The Ra's Abu Jarjur water plant is currently producing 7.5 million gallons daily, whereas last year it produced 8.6 million gallons daily and previously produced nearly 9 million gallons daily.

The second water source is the Sitrah plant which can supply this area with 4.8 million gallons daily. The al-Sahlah underground water plant supplies the province with 11 million gallons daily. Al-Jisrah supplies 1.6 more million gallons. Thus, the total production supplying the central province amounts to 24.9 million gallons.

Khalifah al-Mansur has said that, as a result of increased consumption and unchanged resources, there has been a gradual decline in water storage. This has consequently affected distribution and pumping. We have tried to find a temporary additional source by bringing nearly 2 million gallons daily from the al-Masla area. But this will not last long. We hope that the al-Dawr plant will be put into operation in the summer, especially since the central province's expected summer consumption may reach 27 or 28 million gallons daily. Failure to put the plant into operation will make us face a significant shortage.

Engineer Sayf al-Bin'ali has warned of the serious water situation in this province, especially if a breakdown occurs in the Ra's Abu Jarjur plant or the al-Himlah source, or if any problem develops in waterlines carrying water from Sitrah. Such developments will have ramifications for the water levels in the central province: We will not be able to extract more underground water because such increased pumping will affect water quality. The volume of underground water supplied to this province is 14.6 million gallons daily and the volume of desalinated water is 11.3 million gallons.

On the other hand, Engineer 'Abd-al-Majid al-'Awadi, director of the Ra's Abu Jarjur and al-Dawr desalination plants, has said that the decreased production by Abu Jarjur plant is the result of lack of funds to replace the covers used in this plant's desalination processes. These covers must be replaced every 3 years. This is why production rates have begun to decline. Al-'Awadi also said that the Ra's Abu Jarjur plant was designed to produce 10 million gallons daily and to operate at a 90 percent capacity, i.e., produce at least 9 million gallons daily. Production remained stable at this level in the initial years—1985, 1986 and 1987. In 1988, production began to decrease as a result of the need to replace the covers.

The al-Dawr plant was designed to produce 10 million gallons and to operate at 90 percent capacity, i.e., produce 9 million gallons. It is hoped that this plant will be put into operation in the summer. Otherwise, we will face the problem the water director has pointed out.

Firms To Be Sold Off to Private Sector
44040450a Manama AKHBAR AL-KHALIJ
in Arabic 15 Apr 89 p 8

[Interview With Rashid al-Mir, Finance Ministry Assistant Undersecretary for Economic Affairs: "Why Sell Some Public Sector Companies; It Is Not True That Government Will Sell Losing Companies to Private Sector; Liquidity Will not Be Affected and Sale Will Increase Capital Turnover"; date, place not given; first seven paragraphs are AKHBAR AL-KHALIJ introduction]

[Text] The government is currently inclined to sell a number of public sector firms to the private sector. Since the authorities concerned made this decision, there have been nonstop reactions. Some believe that the government will sell losing companies to the private sector and that it could not sell profitable and viable firms. Others assert that this decision will withdraw liquidity from the local market rather than pump liquidity into it and that this will affect the rate of activity in the securities market and stock prices, even though the stock market has just been opened and there is a modern legal framework within which the companies move.

At the positive level, many have said that the decision is tantamount to a qualitative leap in the economic activity as a whole, that it will lead to a fundamental change in the structures of the joint-stock companies operating in the country, and that it will give the private sector the opportunity to play its role in serving the economic and social development process. Between the positive and the negative, there have been numerous other opinions which have motivated us to try to discuss the tremors [irhasat] occurring within the economic sector's lobbies as a result of this first step of its kind taken by the Bahrain Government with Rashid Isma'il al-Mir, a prominent official at the Ministry of Finance and National Economy and the ministry's assistant undersecretary for economic affairs.

At the outset, we started with al-Mir with the identity of the firms which will be included in the "designation" and asked whether the "designation" will include the strategic and heavy industries sector owned by the state or whether it will be confined to the firms that produce semiprocessed or light goods.

Remotely From Strategy

Al-Mir asserted that the "designation" will not touch the strategic, oil, aluminum, or gas industries. This means that it will not touch BAPCO [Bahrain Petroleum Company], BANOCO [Bahrain National Oil Company], ALBA [Bahrain Aluminum Company], BANAGAS [Bahrain National Gas Company], or similar completely state-owned companies which are considered major strategic industries.

Al-Mir said that the designation will include two types of the country's establishments:

First, projects of a commercial nature, such as dairy, poultry, dates, and fishing projects, as well as the central slaughterhouse. There are six projects of this kind which the government is inclined to sell to the private sector.

Second, involving the private sector in projects owned by the Bahrain Government jointly with some of the area's governments, such as the Gulf International Bank which is owned by the seven Arab Gulf governments and the Gulf Airways Company which is owned by the governments of Bahrain, Qatar, the Sultanate of Oman, Abu Dhabi, and others. This is in case the capital of these companies is increased through public subscription.

Joint-Stock Companies Untouched

[AKHBAR AL-KHALIJ] Will the "designation" include the shares of other companies which the government owns jointly with the private sector at present, such as the General Trade and Food Production Company?

[Al-Mir] At present, the government has no plan to sell its stock in companies in which it is a shareholder. The Ministry of Finance and National Economy and the state's authorities concerned have a plan with clearcut features through which the sale of companies to the private sector will be made. This plan relies on the principle of step-by-step implementation according to a timetable. Specialized advisers are currently studying how to implement this plan or this timetable according to given local facts and to the national economy's conditions.

Untrue

[AKHBAR AL-KHALIJ] But it is said that the government will sell losing companies to the private sector. To justify this statement, some ask: What is the real reason for selling some of the country's public sector companies if they are profitable and economically feasible?

[Al-Mir] It is untrue that the government will sell losing companies to the private sector. The entire issue is subject to other considerations. The thinking is now confined to selling companies that produce a good profit and that will return a rewarding yield to the private sector. These companies are of a commercial nature. The government set these companies up a long time ago to encourage the private sector to enter these areas in the future. These projects are tantamount to model companies. Their economic feasibility and the degree to which the national economy needs them were proven several years after the projects went into operation.

[The government will sell them] particularly because it is not the government's task to set up commercial projects. The government focuses on setting up other fundamental projects, such as heavy, medium, and strategic industries which require vast financial resources.

Designation and Liquidity

[AKHBAR AL-KHALIJ] It is also said that the "designation" will withdraw liquidity from the private sector's hands and that this may affect Bahrain's stock market, especially with the launching of the stock-market operations. Those who say this justify their statement by pointing out the need for the government to pump liquidity into the market by purchasing companies from the private sector, not by selling its companies to this sector. This is precisely what Kuwait did to deal with the stock market crisis.

[Al-Mir] First, I wish to underline an extremely important point, namely that the "designation" will lead to returning the liquidity which the government will get from selling its stock in the public companies to the country's banking sector [as published] by using this liquidity in the areas of public spending. These areas include local investment and implementing production projects which ultimately yield benefits to all sectors of the national economy. This will lead to increased capital turnover and to the increased pumping of liquidity and, consequently, to boosting the national economy generally, including the securities sector.

Second, insofar as local liquidity in Bahrain is concerned, the country's money supply has become so large that the "designation" cannot affect it. The figures show that local liquidity amounted by the end of 1988 to 1.007 billion Bahraini dinars. This is liquidity in its intermediate sense, meaning that it does not include the government deposits [in banks]. It includes the private sector deposits, savings and long-term deposits, meaning currency, semicurrency, and currency in circulation outside the banks."

EGYPT

Letters of Intent Signed With Japan for Grants
NC2206134989 Cairo MENA in Arabic
1014 GMT 22 Jun 89

[Text] Three letters of intent between the Egyptian and Japanese Governments were signed at the International Cooperation Ministry today. Under the terms of the letters of intent, approximately \$23 million will be granted to finance projects.

The first grant, totaling 1.464 billion yen or \$10 million, is to be allocated to expand the national institute for telecommunications.

The second grant, totaling approximately 698 million yen or \$4.9 million, will be used to improve fire-fighting services.

The third grant, estimated at 1.17 billion yen or \$8.2 million, will finance the second phase of improving drinking water and sewage systems in al-'Imraniyah al-Gharbiyah in al-Jizah.

Dr Maurice Makramallah, minister of state for international cooperation, signed the letters of intent for Egypt and Japanese ambassador in Cairo Hiroshi Hashimoto signed for his government.

Islamic Economic Committee Says New Investment Law Un-Islamic

45040384a Cairo AL-NUR in Arabic 14 Jun 89 p 1

[Text] Last week's conference by the Islamic Economic Committee said that the proposed new Islamic investment law was un-Islamic and contained many violations of Shari'ah, especially the granting of unrestricted powers to foreign investment.

The conference, which was held to discuss the proposed new law, explained that when colonialism left the Muslim lands, it replaced military with economic occupation. This led to a swelling of its exports to the countries of the Islamic world, while the exports out of the Islamic countries represented a very insignificant percentage.

Cooperation Minister Discusses Efficient Foreign Aid Use

45040345 Cairo AKHIR SA'AH
in Arabic 10 May 89 pp 8-10

[Interview With Dr Maurice Makramallah, Minister of International Cooperation, by 'Ala'-al-Din Mustafa; Date, Place not Given; "Minister of International Cooperation Speaks; Where Has Agreement Between Egypt and IMF Reached; Egyptian Economic Reform Program and Efficient Use of Loans; Statement of Account Concerning U.S. Aid and Cooperation With EEC"]

[Text] An IMF mission will arrive in Cairo to draw the lines of an agreement with the Egyptian Government on the letter of intentions to be presented by Egypt on its fiscal and economic reform steps. Upon approval of the letter of intentions, the final agreement between the two sides will be announced. Now, where has the agreement between Egypt and the IMF reached? What are the remaining disagreement points? How will they be settled? What is the true nature of the economic relations between Egypt and the United States? What is the statement of account concerning the U.S. aid to Egypt?

AKHIR SA'AH has interviewed Dr Maurice Makramallah, the minister of international cooperation. We have asked him specific questions on the efforts to bolster international economic cooperation with the world

countries and international organizations, on cooperation with the GCC [Gulf Cooperation Council] member states, on how this cooperation can be translated into agreements that bolster the Egyptian economy's capability, on where the negotiations with the IMF have reached, on the outcome of the recent talks in which he participated during his visit to the United States, Belgium and Morocco, on how the efficient use of loans concluded by Egypt can be enhanced and on what the Arab funds have offered Egypt since Egypt's membership was restored in April 1988, as well as numerous questions on the [various] areas of cooperation.

[AKHIR SA'AH] At the outset of the dialogue, I asked the minister of international cooperation:

During your recent visit to the United States, it was reported that concerted talks were held with the U.S. administration and that as a result, the frozen funds, amounting to \$230 million and representing cash remittances, were released. What are the dimensions of these talks?

[Makramallah] The purpose of the recent visit to the United States was to pave the way for the visit made by President Husni Mubarak. Dr 'Atif 'Ubayd, the minister of cabinet affairs, took part in preparing for the talks between Egypt and the U.S. administration. All issues connected with cooperation between the two countries were discussed.

I wish to correct a piece of information, namely that the sum of \$230 million, reported to have been released, consists of two sums: \$115 million in a cash remittance for the 1988 U.S. aid and \$115 million for 1989. In the United States, the fiscal year begins in October and ends in September. Regarding the 1988 aid, it was frozen when the U.S. Congress issued a resolution tying the disbursement of the \$115 million to the adoption of further economic reform measures [in Egypt]. The U.S. administration is somewhat bound by congress. But the U.S. administration is about to release these sums because we have adopted numerous economic measures. They are now studying the measures and, on the basis of these measures, they will release the \$115 million for 1988. As for sums allocated for 1989, no decision has been made about them yet. But there is a promise to release them. In Egypt, the press has combined the two sums for no reason and even though they are for 2 consecutive years.

[AKHIR SA'AH] What are the features of the 1989 U.S. aid program for Egypt?

[Makramallah] The economic aid program has been actually approved. I am talking of the economic, not military, aid. There are \$315 [presumably meaning \$415] million, of which \$115 million are in a cash remittance and \$300 million are for the commodity import program, meaning that the total is \$815.

The talks with the U.S. administration dealt with the question of introducing some flexibility into the use of this aid. The administration did display some flexibility in its position. This represents a positive element.

Cooperation With EEC

[AKHIR SA'AH] You visited Belgium to pave the way for greater cooperation with the EEC countries. What are the features of this cooperation and what is the outcome of your talks?

[Makramallah] The visit to Belgium was undertaken to prepare for President Husni Mubarak's visit to the EEC headquarters. We have actually concluded with the EEC countries a third [sic] protocol amounting in value to 249 million European currency units, or the equivalent of \$1.2 billion, advanced by the European Investment Bank. There are also 200 million European currency units in the form of a grant for numerous projects. I also held talks on several projects to boost European investment. These consultations are continued through the EEC office in Cairo.

As for Belgium, it is well known that it cooperates primarily with a number of African countries that were previously tied to it economically. We have sought to boost our relations with Belgium, considering that it is the EEC headquarters where the establishment of a United Europe is expected to be announced in 1992. The Belgian officials expressed their wish to draft a cooperation agreement and we have agreed to cooperate in numerous fields. We are in the process of preparing properly the projects on which the two countries can cooperate.

IMF and Rescheduling

[AKHIR SA'AH] An IMF mission will visit Egypt in the next few days, keeping in mind that there are aspects of disagreement between the Egyptian and IMF viewpoints. What are the dimensions of these disagreements and how can they be settled?

[Makramallah] It is well known that Egypt owes payable debts to a number of countries. To reschedule these debts, the debtor countries have to make sure that I have taken economic reform measures that prove my increased capability to repay. This is normal. The IMF's importance is that it is (the party which can say) that the economic reform program is capable of enhancing the state's capability to repay. Consequently, it opens the way for rescheduling. The IMF has to study things. Within this framework, it dispatches missions to observe the situation and the new economic measures. The IMF then submits its report to a higher authority, namely the board of directors. The IMF acts as an economic adviser to the debtor countries. This is its entire role.

The economic reform program we are following is an Egyptian program primarily. The IMF discusses with us whether this program is enough. It is normal for disagreements in viewpoints to exist because the IMF's viewpoint is purely economic whereas we do not consider the economic aspect solely. It is true that this aspect has its importance. But there are also the social dimensions which one has to take into consideration. The IMF's viewpoint is purely economic and our viewpoint is socio-economic. This is why disagreement develops in some viewpoints.

For example, we have a deficit in the state budget. To any economist, the best thing is to eliminate the deficit completely. The IMF wants to reduce this deficit as much as possible. But within the framework of the social dimension, it is difficult to reduce the deficit in the manner advocated by the IMF. One is governed by articles which one cannot touch, such as wages, salaries and educational, health, social welfare expenditures and so forth. The same goes for revenues. One has taxes and one has deductions. One has his limits, and this is where the disagreement occurs. This issue was the topic of discussion with the IMF. There is a gap between the viewpoints. They demanded that detailed statements be prepared so that they may be discussed in the next round of talks. This work does, of course, take time and effort because the economy is diverse and interconnected. We study the direct and indirect consequences before we adopt any measure. This is why we need time to study all the measures to determine how interconnected they are and how to implement them gradually.

Contacts With World Bank

[AKHIR SA'AH] What about the World Bank official who visited Egypt recently and what are the dimensions of that visit?

[Makramallah] Insofar as the World Bank is concerned, it provides four types of loans:

- The first is loans for projects.
- The second is sectorial loans for projects within certain sectors.
- Loans for correcting economic structures.
- Sectorial loans.

Insofar as the two latter types are concerned, i.e. sectorial loans and loans to correct the economic structure, they are tied to the talks with the IMF and these talks are, in turn, tied to the economic reform program. There are always constant contacts with the bank to finance projects. Therefore, it is not surprising to find missions coming constantly to study projects in all areas, be they in the industry sector, the electricity sector, the agricultural sector or other sectors. The visits are made to study these projects which include a project which we have submitted, and which is currently under study, for the reclamation and cultivation of 250,000 feddans in North Sinai. There are educational projects and a natural gas

project also. The bank dispatches experts to study these projects. Therefore, the presence of these missions within the framework of financing projects is always likely. There is no connection between these visits and the talks with the IMF, except insofar as loans for correcting the economic structure are concerned. The IMF draws up the framework and the bank enters to finance and assist these projects.

London Club and Commercial Debts

[AKHIR SA'AH] It has been reported that Egypt will go to the London Club to settle its commercial debts. What are this movement's dimensions?

[Makramallah] Regarding the commercial debts payable to the banks, they do represent a problem, but not a severe one. This is because Egypt's debts are government debts mainly, i.e. debts between one government and another. Consequently, the commercial debts problem is not a severe problem but rather a limited problem. This is in contrast with the Latin American countries which owe their commercial debts to banks mainly.

One of the distinguishing features of debts between one government and another is that they encompass a political dimension, meaning that it is possible to persuade a friendly government of the circumstances that prevent one from being able to repay.

This is in contrast with banks. Economically, it is well known that if one bank declares its bankruptcy, other banks follow in succession because banks are tied to each other and deal with each other.

What I want to say is that in Egypt, the priority is given to government debts. We are, of course, concerned with commercial debts but they are much less severe than government debts. This is the main difference between Egypt's debts and the debts owed by Latin American countries such as Brazil, Argentina and others.

Efficient Use of Loans

[AKHIR SA'AH] Egypt has acquired from the World Bank loans amounting to \$3.6 billion, of which only \$2.5 billion have been used. There remains \$1.1 billion which have not been used to date despite the need of many of the development plan's projects for this financing. What is the explanation for this? [Makramallah] This is due to the nature of the projects and the time they need to be implemented. There are projects that can be completed in 2 years and projects that take 5 years. The sums you are talking about are allocated for projects under implementation. Monies are disbursed to these projects in phases and gradually, depending on implementation. Some projects may be behind schedule but most of them are being implemented.

This is similar to projects included in the 5-year plan. For example, if a sum of 100 million pounds is allocated for a project over a 5-year period, this sum is not disbursed to the project in one payment. Rather, the project is given 20 million pounds annually. Meanwhile, makes sure that the planned phase is fully completed before the remaining allocated sums are disbursed.

The available funds, meaning the \$1.1 billion, are allocated for specific projects. Monies are disbursed from this sum for each project in phases. Naturally, implementation takes years and long periods of time.

In this manner, the remaining sum continues to decrease by giving projects the sums allocated for them, keeping in mind that we may conclude new loans for new projects. The loans are included with the sum, thus increasing it anew. But if the sum exceeds a certain limit, then this means that misuse exists. There may be cases where certain projects are behind schedule. But these cases are very few.

A most salient criticism is that there is a low degree of efficiency in using the loans for the projects for which they are allocated and in delivering them speedily to these projects. What happens is that the loans pass through numerous channels and are approved by the People's Assembly. This journey may take more than one year. The funds are available but are not put to use. How can the efficient use of loans be enhanced?

When one concludes loan agreements, one is governed by the constitution which states that a loan agreement may not become valid until approved by the People's Assembly. This is because loans represent burdens to the government and to future generations. One cannot undertake these burdens without getting the legislative authority's and the constitution's approval. One has to go through these channels. When a loan agreement is concluded, there are steps that must be taken, must be sent to the Policies Committee to be studied and approved and must be referred to the Council of Ministers which then studies and approves the steps and submits them to the People's Assembly. The assembly's special committees then study these steps. One cannot change the steps but can abridge the time and expedite the steps.

The longest time taken to debate and approve loans is 8 months. Some agreements were approved within 2 months. Most of the delays occur because an agreement happens to be concluded at the end of a legislative session. A long time passes before the next session starts. Despite this, the longest time has been 8 months and the shortest 2 months. On our part, we try to expedite the steps. But one has to go through these channels and the People's Assembly has to approve and ratify these agreements because they represent burdens to the government. Trying to shorten this time is part of my work methodology.

Infra-Structure Loans

[AKHIR SA'AH] The criticism made by economic experts is that most of the loans concluded in recent years have been channeled toward infra-structure projects which, in most cases, yield no return. Consequently, these projects and the loans involved in them represent a burden to the government.

[Makramallah] To answer such statements we must first ask: What are the infra-structure projects? They are roads, electricity, telephones, sewer systems, water and so forth. Without these infra-structure projects, one cannot establish a production base. How can production projects be set up when one has no roads and no telephone network that does not break down? We have all heard that some businessmen were compelled to go to Cyprus to call the outside world by telephone or to send a telex.

The infra-structure consists of projects that do not yield a return at the level of a certain project but yield a return at the national level. All the economics books tell us that the advanced countries achieved development by relying on a sound road and transportation network. This is the problem of most developing countries. Sudan has millions of feddans of arable land but does not have roads or irrigation canals.

The problem is that the infra-structure projects had deteriorated in an extraordinary way and they had to be upgraded. The time may have come to exploit these projects in the production area. Without infra-structure projects, there will be no development. At the same time, these projects must be exploited in order to establish a balance.

Egypt and Arab Cooperation Council

[AKHIR SA'AH] Regarding the Arab Cooperation Council, what form is projected for cooperation with this council's members? How can Egypt make use of this newborn experience?

[Makramallah] If we examine the agreement concluded between the council member states, we find that its most distinguishing feature is that it is the result of the past experiences undergone by Arab cooperation, whether within the framework of the Arab League or of the Arab Economic Unity Council whose accomplishments have been somewhat limited. It is true that the Arab Economic Unity Council did try and did set up 6 joint companies in several sectors, such as mining, development and other sectors. But the results have not been up to our expectations or to the desired level. This is at a time when the EEC, which represents a gigantic economic bloc that is on the threshold of becoming a complete market in 1992, was established. Moreover, the Gulf states have established a cooperation council and the Maghreb countries have also begun to consider and to implement [a similar council]. We could not stand idle

in our state of division. Hence the idea of establishing the Arab Cooperation Council between Egypt, Iraq, Jordan and North Yemen is for the purpose of facing these blocs.

Moreover, there is a difference between the position of the Arab cooperation councils and that of Europe. The Arab cooperation councils are not axes [mahawir]. The Arab Cooperation Council agreement is open to any Arab country that wishes to join the council, provided that the founding countries approve the accession, which is normal. The press has recently reported, though we have not been officially notified, that Sudan is considering accession. This [council] does not represent an axis [mihwar]. To the contrary, the Arab Cooperation Council seeks to cooperate with the other Arab economic blocs.

The primary emphasis in this phase is on boosting the production process, whether in the private sector or the public sector. The council even provides for popular participation aimed at production. The text of the agreement emphasizes that the cooperation should take place gradually because these countries' economic structures are close in nature and, consequently, the cooperation must proceed gradually.

One of the most distinguishing features in the area of practical implementation is that working teams and specialized committees are formed in certain cases. The rule is that all the technicians will study all the issues presented for discussion and debate and will then submit the outcome of their studies to a ministerial committee which will, in turn, submit them to the political leadership. This means that technical studies are on a sound basis. One should keep in mind that the resolutions will be founded on complete technical bases and studies. Though containing a political dimension, the resolutions will not be totally political.

Arab Funds and Development Plan

[AKHIR SA'AH] What have the Arab funds offered Egypt since its membership in the funds was restored in April 1988? Can the funds contribute to the second 5-year plan?

[Makramallah] Insofar as the Arab funds are concerned, there is more than one fund, including the Arab Economic and Social Development Fund, the Arab Monetary Fund, the Arab Investment Insurance Organization, the Agricultural Development Organization, which is based in Sudan, and the Arab Bank for African Development.

Upon its reinstatement in the Arab funds, Egypt formally invited these funds' officials to visit the country in order to acquaint themselves with its conditions on the spot and to develop friendly humanitarian relations. The directors of the Arab Economic and Social Development Fund, the Arab Monetary Fund and the Agricultural

Development Organization have actually visited Egypt. The Board of Directors of the Arab Bank for African Development will convene in Cairo next June.

We have concluded two agreements with the Arab Economic and Social development Fund:

The first is tantamount to an unrepayable grant to study the development and enlargement of the Suez Canal.

The second is an agreement to finance a part of the Damietta power plant.

Discussions are also currently underway on financing a number of projects, of which the most important is a paper mill in Idfu.

As for the Investment Insurance Organization, we owe it payment for a part of its capital. We have requested that it facilitate for us the payment of this part. We have agreed that a portion of the payment will be made in Egyptian pounds and the other portion in a convertible currency. A decision was actually made last month to make this payment in 3 installments extending until 1995.

The Arab Monetary Fund's relationship is with the Central Bank mainly. However, the Ministry of Cooperation did conclude a cooperative-financing loan with the fund last September.

As for the Arab Agricultural Development Organization which is based in Khartoum, its board of directors convened at the [Egyptian] Ministry of Agriculture last year. There is cooperation between the Ministry of Agriculture and the organization.

The Arab Bank for African Development advances loans to the African countries, not the Arab countries. Egypt is interested in contributing to and participating in drafting this bank's policies because Egypt has its African tendencies.

[AKHIR SA'AH] Can it be said that the Arab funds have offered Egypt what had been expected of them?

[Makramallah] We must keep in mind that the officials of the various Arab funds have to study the projects presented to them seriously and in depth. It suffices that in less than one year, we have acquired two loans and cooperative financing from the Arab Monetary Fund. In any case, cooperation with the funds continues.

Agreement With Morocco

[AKHIR SA'AH] What is the outcome of your recent visit to Morocco as member of the Egyptian delegation headed by Dr 'Atif Sidqi?

[Makramallah] The two countries' higher joint committee exists within the framework of cooperation between Egypt and Morocco. This committee held its first session in Cairo. The second session was held in Morocco recently and the visit was made within the framework of this session. The joint committees are tantamount to the cooperation framework through which we periodically follow up on the accomplishments, study and examine the problems and the obstacles and formulate future visions.

A maritime transportation agreement which facilitates trade has been concluded with Morocco. An agreement has also been concluded to prevent dual taxation. Another agreement has been concluded to reduce the customs procedures and facilitate trade. Previously, an information agreement was concluded to exchange information expertise and an agreement was concluded between the two ministries of culture, as well as an agreement in the area of electricity. An agreement was also concluded on a number of legal and legislative affairs. Moreover, the question of an equal deal between the two countries was also discussed and re-examined. These meetings are continuous. The higher joint committee meets periodically, one time in Egypt and another in Morocco.

[AKHIR SA'AH] Cooperation with the Soviet Union and the eastern bloc has undergone considerable relaxation this year. What are this cooperation's dimensions and how can it be developed?

[Makramallah] The Soviet Union has, of course, been active recently through the high-level visits made in the recent period. The Soviet foreign minister visited Cairo recently. A project is being currently implemented jointly with the Ministry of Electricity. There are also agreements with East Germany. This is due to the fact that our policy is based on peace and good relations with all countries. We move within this policy's framework to develop the economic relations because peace serves economic development.

[AKHIR SA'AH] Some countries, such as Germany, France and the Netherlands, have decided to cede a part of the debts owed them by the poorer countries. Can Egypt benefit from this decision?

[Makramallah] No. We are not one of the poorer countries. We fall within the range of the medium-income countries. Consequently, we will not benefit from this decision.

Concluding the interview with AKHIR SA'AH, Dr Maurice Makramallah said:

My private conviction is that we are facing numerous problems and that the burden of solving these problems falls on our shoulders primarily. What I mean is that if we seek to acquire aid from the outside world, this aid is just to ease the burden, nothing more and nothing less.

The burden falls on our shoulders primarily. This [solution] lies in increasing production and improving its quality. We can increase our exports and such an increase will help us deal with the gap in the balance of payments. Increased production will reflect on the state's general budget and this will help us confront the budget deficit, in addition to helping us increase government revenues. This is the sound course for building a strong economy that is not exposed to tremors.

Political Interest Groups, Intentions Summarized
45040354a Cairo ROSE AL-YUSUF
in Arabic 1 May 89 p 20

[Article by Dr Jihad 'Awdah: "Political Interest Groups"]

[Text] Egypt is familiar with many political interest groups striving to restructure the political system and political life in their interest. Such groups can be defined as those whose primary goal is to change the political system, or important aspects thereof, by penetrating or affecting institutions of the system, whether governmental or opposition.

More precisely, they are distinguished from other groups because they seek political goals; they do not exist fundamentally for narrow economic or social reasons, but for political goals linked to the structure of the relationship between state and society, goals which may have arisen outside or within the government.

For example, the Muslim Brotherhood is one of the most important political interest groups to arise outside the government during the 20th century. Also included are such groups as the National Renaissance, founded in 1944 and dissolved in 1952; the Partisans of Peace Movement; the Group of the Future; the Muhammadan Youth; the Supreme Workers' and Students' Committee founded in 1946; and other university political clubs in the 1970's. However, during 'Abd-al-Nasir's regime, political interest groups began to band together and spread from within the government. Perhaps the best known of these is 15 May, or the group known before 1967 as Field Marshal Amir's Group, before 1952 as the Free Officers' Group, and during the 1970's as 'Uthman's Group, for 'Uthman Ahmad 'Uthman.

Now, in the late 1980's, Egypt is familiar with groups such as those that could be called "restorers of the past", the intellectual group that calls for analysis of the situation in Egypt and the Arab world from a civilized Islamic view. Many educated public figures have been inspired by this group, such as 'Adil Husayn, Tariq al-Bashari, and Dr Hasan Hanafi. Some government leaders are also connected with it. There are also the Muslim Brotherhood and certain Nasirist groups, or those that support Arab nationalism. These and other groups are found within existing parties or in contact with them.

These political interest groups exist despite the presence of parties for two main reasons: Official party pronouncements are limited to specific political trends, and the existing parties cannot bring together these interests with political coherence and harmony.

Political interest groups outside the government help spread political instability because there are no proper tools and means to govern and control these interests nor to make them a means of strength in the face of the increasing, now liberated desire for political participation.

President Mubarak had wanted to surmount the reasons such groups arise within the government.

Realizing how much these groups were disrupting government activity, the images of divisiveness among political leaders they were putting in the minds of the people, and the possibilities for political infighting, particularly during periods of tension accompanying economic reform or promoting democracy, President Mubarak resorted to the courts to curb such groups.

The president used various means to achieve this, including following the litigation on a daily basis, expanding his participation in the preparation of important resolutions, monitoring the links and contacts that those in high political positions had with political interest groups outside the government, and keeping unprecedented records on relations between individuals in the government when there was conflict and one party sought help from political interest groups outside the government. In this vein, a policy was applied whereby most of those engaged in planning and implementation in the bureaucracy and positions of control or importance, such as those related to the economy, were chosen from those who had no affiliation or relationship with any political interest group outside the government or with the leaders of such groups.

The spread of political interest groups stands as an indication that the political system in Egypt in the late 1980's is characterized fundamentally by the failure of the existing parties to perform the important functions of a party, such as bringing together political interests and expressing them coherently, cohesively, and completely, and the almost total reliance on the president's monitoring the cohesiveness of the government; this may mean that there is no government machinery to ensure against the appearance of such groups.

Liberal Party Secretary Discusses Party Status, Factionalism

45040354b Cairo AL-AHRAM AL-IQTISADI
in Arabic 1 May 89 pp 48-49

[Article by 'Abd-al-'Azim Darwish]

[Text] Withdrawal from the alliance, postponement of the party's general conference for 13 years, illegality of the party leadership: these three issues form a basis for dialogue with Muhammad 'Abd-al-Shafi, secretary general of the Liberal Party.

According to 'Abd-al-Shafi, "When the party was established the practices and actions of the government put the opposition parties in one trench, with each party acting with total independence.

"The Liberal Party needs these alliances more than the others, particularly following the success of the alliance among Labor, the Muslim Brotherhood, and the Liberals. The alliance achieved perceptible results in the last People's Assembly elections in 1987, results which would not be worth mentioning if the parties were not aligned.

"The Liberal Party stands to benefit totally from continuation of the alliance, as the Muslim Brotherhood does, in spite of the difference."

On the appeals made recently in the halls of the Liberal Party to announce the party's withdrawal from the alliance, the secretary general said, "There is no intention to dissolve the alliance and announce the Liberals' withdrawal. Anyone who is calling for such a thing is calling for adoption of his own private opinion, not a definite trend within the party."

In reply to a question about the true reasons for announcing postponement of the party's general conference for at least the third time in the last few months, 'Abd-al-Shafi said, "The postponement was announced when we discovered that a number of governorates had not finished organizing in the villages and districts. We asked them to complete their organizations so that the conference could be held in accordance with the provisions of the party by-laws, leaving no opportunity for challenging conference resolutions."

As to the question whether the failure to complete the organizational process in the governorates had come as a surprise to the party, the secretary said, "On the contrary, we had asked for general conference rosters from the governorates and discovered that a number of them had not organized yet."

When asked whether the Liberal Party exists legally, since no general conference has been held for 13 years, Muhammad 'Abd-al-Shafi said, "The party is legal and has been approved by the officials since its establishment in 1976. However, parties go through periods of withdrawal and spurts of activity. The Liberal Party is now entering a new stage of activity, and has become a political party in the true sense of the word."

Here the secretary general corrected himself when he answered the question whether his description represented an acknowledgment that the party had not been a political party for the last few years: "The party has gone through many stages during which the rhythm of politics was not perceptible, even though it began strongly in

1976 with a respectable number of representatives in the People's Assembly, publishing its newsletter for 8 months, while experiencing pressure against it, as is well known."

When asked whether the failure to hold the party's general conference for 13 years threatened withdrawal of the leadership's legal status, the secretary general said, "We cannot say this with certainty because the leadership is determined to hold the conference; but because of circumstances beyond our control, it was decided to postpone it until the upcoming Shura Council elections are held."

Columnist Calls for Egyptian/Iraqi Economic Cooperation

*45040331b Cairo AL-AHRAM AL-IQTISADI
in Arabic 17 Apr 89 p 92*

[Commentary by 'Ali al-Din Hilal]

[Text] I have previously written, emphasizing the importance of Egyptian-Iraqi relations and the need to develop these relations, in view of the level which they have achieved during previous years and in the light of the economic and political relations which have developed between the two countries, as evidenced by Egyptian workers in Iraq and Iraqi-Egyptian relations in the years of war with Iran.

The importance of this topic can be attributed to the position occupied by the two states in the Arab system as a whole, as well as to elements of economic and political power in the two states, the currently existing mutual understanding between political leaders in Baghdad and Cairo, and the desire of Egyptian and Iraqi leaders to develop these relations. It is no secret that numerous forces have, for years, bet on the so-called Egyptian-Iraqi rivalry for political leadership. The legacy of western writings on this topic highlights its elements, and attributes its historical roots to the era of the struggle between the Fatamid caliphate in Cairo and the Abbasid caliphate in Baghdad, while emphasizing the continuation of these differences due to regional, political causes.

Therefore, the current situation represents an opportunity not only to develop bilateral relations between the two states, but also to provide a model for relations between Arab states in the framework of the Arab Cooperation Council. Hence, we throw out the topic for general discussion.

Bilateral relations must assume forms which are intuitively understood by ordinary citizens of Egypt and Iraq, and which return a tangible benefit to them. Thus, there must be candid discussion of the mutual benefits and common interests of the two countries. Our intention is not to diminish the importance or value of Arab, nationalistic considerations, but to base them on a firm foundation of interests perceived by citizens. Hence, the matter becomes tangible for them.

Regarding relations within the Arab Cooperation Council, Egypt and Iraq have a special responsibility to bring about success, because they are the two major powers in it. If they practice selflessness and do not disparage small, temporary gains, we can establish sound relations in which values of equality with Jordan and Yemen prevail, thereby offering a positive model for relations between the Arab countries.

However, in order to achieve that, a spirit of candor must prevail in relations between the two countries. Officials in both countries must speak openly about existing and expected problems, about fears in their respective countries, and about the remnants of the past and how to move beyond them.

There are problems faced by Egyptian workers in Iraq. There are also laws and statutes which limit exportation possibilities between the two countries, and there are old remnants of the 1960's and 1970's which have perhaps left their mark on agencies in the two countries.

Several of these matters cannot be solved by a decision made by the presidents of the two states. Rather, they require direct contact between the different competent agencies in the two states. This contact must be characterized by full candor, based on a desire to support and develop relations.

In a conference dealing with the Arab Cooperation Council held by the Center for Political Research at Cairo University—which was attended by the ambassadors of the member-states of the council, and by several Egyptian officials—Egyptian and Yemeni thinkers and researchers, who participated actively in the meetings, raised problems and fears in an atmosphere of friendliness and candor. The same spirit must prevail among officials as well, so that we may base relations on sound, firm foundations.

We have all clearly gone beyond the stage of general slogans or vague discussions. We must place the future on a factual foundation, rooted in reality and based on common interests and mutual benefits. I believe that the situation between Egypt and Iraq is prepared for that.

More will be said of this, God willing.

IRAQ

French Company Willing To Provide Missile Technology

44040425b London AL-TADAMUN
in Arabic 8 May 89 p 12

[Article: "Representative of French Aerospatiale Company Says Iraq's Experience in War makes It First in Third World"]

[Text] Patrick (?Marsillon), director of public relations in the French Aerospatiale Company, stated that his company was willing to sell missile technology to Iraq and that a positive development had occurred in the special talks regarding a new contract to be signed with Iraq.

Mr Marseillon, who spoke about the transfer of missile technology at the weapons fair in Baghdad, affirmed, "We are quite willing to meet Iraq's need to produce what it needs to defend itself. Iraq has surpassed most Third World countries in producing advanced missiles and other military equipment. This is due to its experience in the Iraq-Iran war."

When he was asked what he thought about the missiles, al-Husayn and al-'Abbas, which are produced by Iraq and which western sources had claimed were copies of the Soviet-made Scud-B missiles, the representative of the French company said, "We have much admiration for the technical skills of Iraqi engineers. We believe the Iraqis are capable of developing the missile industry by themselves."

He also said, "The company made a major contribution in the effort to strengthen Iraq's military capability, especially by providing Iraq with Exocet missiles and laser operated ER-30 air to surface missiles."

The French statements in Iraq created quite a stir in Zionist military circles. An Israeli military expert stated, "The United States is trying to prevent the French Aerospatiale Company from selling missile technology to Iraq." Gerald Steinberg, a military technology expert at Israel's Hebrew University, told Radio Israel, "Washington, which is worried about the proliferation of missiles in the area, will try to encourage the French government to block the deal with Iraq." Steinberg said, "To sell this technology the French company has to have the French government's approval. The Americans will apply pressure on France to keep it from selling advanced technology to Iraq."

Steinberg added, "Theoretically speaking, the Americans could impose penalties on France in case progress in that field is achieved."

The Israeli expert went on to add, "Now that the cease fire between Iraq and Iran is in effect, Iraq can turn its fire power against Israel."

Husayn Kamil Announces Military Production, Sales Plans

44040425a London AL-TADAMUN
in Arabic 7 May 89 p 9

[Article: "Industrialization in Iraq Moves Forward in Military, Civilian Fields"]

[Text] Statements made by Mr Husayn Kamil Hasan, Iraq's minister of industry and military industrialization, attracted the attention of observers. Mr Husayn Kamil Hasan made those statements at a press conference he held on 1 May 1989 on the occasion of the First Baghdad Fair for Military Industrialization.

At that press conference the Iraqi official, whose name has been associated with a highly significant qualitative shift in military industrialization, said that the program which was put together by his ministry requires Iraq to meet the needs of its armed forces in 2 years. The program requires Iraq to provide its armed forces with the weapons and equipment they need and to ensure that all basic industrial goods are available.

The minister made the following points at the press conference:

- Iraq can prevent any aggression aimed at its sovereignty and the sovereignty of the Arab nation.
- The capabilities of Iraqi scientists and experts are as high as those of scientists and experts in advanced nations.
- Iraq is now looking into a number of requests from countries [that wish] to purchase Iraqi weapons.
- Communications are underway between Iraq and France and the Soviet Union regarding cooperation in the area of manufacturing airplanes.
- The exhibits in the Iraqi wing of the fair affirm that Iraq has made significant progress in the military industry.
- A new early warning airplane will be ready next June. This airplane has been developed by Iraq.
- Iraq is currently conducting talks and communications with a number of countries to produce military vessels. An agreement has also been reached with the Mercedes and General Motors companies to manufacture trucks, buses, ordinary cars, and small trucks. These vehicles will not be manufactured in part or assembled in Iraq. They will be manufactured entirely in Iraq.
- An Iraqi tractor will also be produced.

The Iraqi official made it clear that the International Military Industrialization Fair will be held once every 3 years. He said that President Saddam Husayn himself was overseeing the programs, plans and the execution of military and civilian industrial projects.

There is one question: To what extent will the major industrial countries tolerate the entry of a new nation into the field of industry? To what extent will they tolerate that new entry when there is every indication that this new industrial nation is off to a successful start? After all, the timing and efficiency of Iraq's entry into the field of industry have attracted attention.

ISRAEL

Robotics Firm Wins Lucrative U.S. Contract
44230134 Tel Aviv YEDI'OT AHARONOT
in Hebrew 5 Jun 89 p 23

[Text] The "Robomatics" company, from the General Electronics Group, won a lucrative contract with the American General Motors Corporation - the largest automobile manufacturer in the world.

Four firms competed for the large contract, the scope of which is due to reach approximately \$2.8 million: Prina Pojti (as published) of Italy, Pico of the United States, Raycon of the United States, and a subsidiary of General Motors.

The contract is connected to the acquisition of a computerized laser cutting system. Each system costs about \$150,000. In the first stage the company has already ordered two systems from Israel.

The system developed by Robomatics is equipped to do cutting in automobile manufacturing by using a laser beam. Within 2 years two such systems were sold to Volkswagen, one to Ford in the United States and last week another was sold to a large auto manufacturer in Germany.

Rabin Adviser Eytan Haber Profiled
44230098 Tel Aviv MA'ARIV Weekly Supp.
in Hebrew 5 May 89 pp 6,7,9,12

[Article by Mikhal Qapra article]

[Text] "Mabat" evening news on television: Defense Minister Yitzhaq Rabin appears on the screen. He is in the field, wearing a military jacket—never a suit. In the background, a burnt tire is surrounded by soldiers, preferably reservists. The people, experts say, identify with reservists. That could be your husband, your neighbor, or the man from the grocery store. Eytan Haber, the defense minister's adviser, takes care that everything goes smoothly, that the defense minister is interviewed wearing a peaked cap in the thick of the intifadah [uprising]. He will not muss up the minister's hair—that can be left to the wind—but that's about the only thing he does not do. It is said that he will gently nudge the soldiers into the frame. He does not leave voyeurism to chance.

To foreign television networks, Eytan Haber delivers a changed Rabin, wearing a tie, sitting in his office. There is no point in dragging the minister to Gaza for the benefit of the citizens of Minneapolis or Santa Fe. But if Israel sees the defense minister against the background of smoke, such a wonderful composition can do a lot more than any message that the correspondent may wrest from him. The minister was there, a bit disheveled, a bit dusty, which means that he knows what he is talking about. That is the ABC's of the ancient art of marketing. There is not the slightest hint of the thought and planning that went behind that short interview on "Mabat," all of it devoted to one purpose: the image of the defense minister.

And indeed, Yitzhaq Rabin continues to star at the top of cabinet ministers popularity polls. Still today, at a time when we no longer even count the graves dug daily for Palestinian bodies and for Israeli victims of plastic bombs, when the entire world is stunned by stories of cruelty in the West Bank, when the orders deluging

young, confused soldiers contain more cynicism than logic, when the kibbutzim discuss whether it is moral to manufacture rubber bullets or not, and when this inflationary violence is spiraling at an uncontrolled pace, support for the defense minister is still rising.

The minister's adviser, Eytan Haber, 49, a veteran journalist belonging to the media elite of Israel, in a moment of enlightenment invented a new holiday: the tenth anniversary of Entebbe. And on this new holiday that he skillfully initiated, he once again raised his boss to the heights of military mythology. And by a remarkable media maneuver, on this anniversary of recognition of Rabin's renewed paternity of Entebbe, he managed to get together in the "Mabat" studio that odd couple, Rabin and Peres, and even persuaded the television to invite an audience into the studio, for the first time. He saw to it that most of the audience consisted of Entebbe survivors. Thus, even the intensity of the support was planned in detail.

Eytan Haber has served as adviser to the defense minister for 3 and 1/2 years—media adviser. During this time Haber could have won enormous public exposure. According to the rules of Israeli politics, advisers are the people whose heads stick out regularly behind a minister's shoulder. Haber, however, carefully chose to leave the space behind Rabin's shoulder empty. He did not peep, did not stick out, did not give interviews, did not appear in photographs, and did not talk. In short, he deliberately chose to remain unknown to the public at large. This law that he has imposed on himself is so rare in domestic politics that even if it does not stem from pure modesty for its own sake, it is enough to bridle the tongues of his enemies.

Nevertheless, Haber has accumulated enormous power. Because of his proximity to Rabin, which has also made him the latter's confidant, his deep involvement in defense ministry affairs, his considerable journalistic experience, and his numerous and close contacts with the media czars, he holds great power. Haber, who is reputedly a clever manipulator, took his place next door to Rabin at a time when one security scandal followed another. The Pollard affair, Irangate, the Lavi, and most of all the intifadah—each one separately powerful enough to knock out any politician—passed Rabin right by.

"If there is a true meaning for the expression 'Teflon leadership,' then Rabin must be its archetype. Nothing sticks to him," said a man who wanted to remain anonymous and to whom we will refer as an informed source close to Peres. "His Teflon coating is an unprecedented phenomenon. The man has so many dark spots in his past, beginning with his breakdown on the eve of the 6 Day War, his time as ambassador to the United States—where he took money for lectures—his wife's spending habits, and the peak, the discovery of his wife's bank account during his time as prime minister. Had it

been any other politician, Ariq Sharon, for example, the media would have publicly crucified him, but this man has managed to come out of it all as if he hadn't had anything to do with it.

"The man in charge of the intifadah ordered that their bones be broken—thereby destroying Israel's reputation. This entire wavering about decisions, the fact that nothing is done by deliberation but by missed opportunities—and he once again comes out smelling like roses. It's a mystery that I cannot fathom. This man is holding something threatening, made up of some pact of silence with the media. In fact, Rabin does not need a spokesman. Even if he had an inarticulate and totally incapable spokesman, Rabin would still be viewed as a popular hero. It's Rabin's eyes that break the nation's heart, not those of the spokesman. Nature has endowed Rabin with a gift that has not yet been fully understood."

"Haber," added the same informed source, "took in hand a magnificently endowed specimen. What in others is seen as hesitating stammer, in Rabin becomes a charming shyness. What in others is viewed as uncontrolled outbursts, in Rabin becomes a sincere outcry. What in others is viewed as inability to decide, in Rabin becomes humanitarian considerations or some profound concern. Every negative trait is magically transformed into something positive. To the public Rabin appears as a composition in blue and white. Whenever there is red in his eyes, people think it's a May Day flag."

Yitzhaq Rabin, who became known as the "analytical brain," can hardly be credited with correct analyses as of late. He did not foresee the intifadah, and when it did break out, he did not know what it was. At the time he was in the United States, and he did not hurry home. Then he prophesized that the uprising was going to end any day and that we were going to have it under control in no time. But lo and behold, 17 months later there is still no end in sight. When he grasped that we were not easily getting it under control, he said that the violence would drop significantly, but it did not. According to him, the intifadah did not and will not achieve any political gain, except that in reality it marked a very important turning point in the Israeli-Palestinian conflict. Anyone who had predicted, 1 and 1/2 years ago, that the United States would enter a dialogue with the PLO, would have been viewed as a daydreamer.

Nevertheless, Rabin has managed to preserve his image as a brilliant analyst. "Rabin," said Knesset Member Yosy Sarid, "is the paradigm for the country's mood and public opinion. He represents all the weaknesses of public opinion, or what the public wants to believe—a consensus of vacuum. Rabin is the best possible representative of wishy-washy statements like 'on the one hand, but on the other,' 'yes, but,' 'however,' 'at the same time,' and so forth—statements that make it possible to have one's cake and eat it, too; to support and oppose the war in Lebanon, to speak out against the occupation of the West Bank while continuing to hold on to it, not to

want to govern Palestinians but to continue to keep them under our heel. He beats up on Palestinians while suggesting uncompromising political solutions—black and white. And that is what public opinion wants. He represents it and he lends legitimacy to all the things that are impossible and unrealistic. Who does not like to live in a dream-world? That is why, as far as public opinion is concerned, Rabin is a pleasant, easy-going, and captivating man."

What about Haber? Yosy Sarid thinks that the defense minister's image is not due to public relations tricks. According to Sarid, the matter is more profound and has to do with the psychology of Israeli public opinion. People close to Rabin who try to analyze his popularity at such difficult times as the present claim that Rabin is the embodiment of the entire military history of the State of Israel. "He has," they say, "the heroism of the PALMAH [Strike Force of the Hagana], the pathos of struggle against foreign rule, the War of Independence, the inebriating victory of the 6 Day War, and the Entebbe operation." No one, according to them, is today capable of competing with the power of those events.

In a way, Eytan Haber came to the Defense Ministry like a public relations man for a product like Coca Cola, whose hold on the market is almost unbreakable. "He is not a regular media adviser," said a journalist who works with him, "he deals in the higher political spheres. He does not sit with the media and try to sell them the minister. He advises the minister about the media, rather than the media about the minister." Another journalist said: "Eytan says that Rabin is any spokesman's nightmare. You work for 2 weeks, make plans, and in the end the minister says that we should break the Arabs' bones. Or, you sit with members of the European Parliament and in the middle of the meeting Rabin says, What do I care about Europe. You plan and plan, but the moment your back is turned he demolishes everything."

No one is crediting Eytan Haber with the responsibility for the image of the defense minister, but neither is anyone dismissing his contribution to it. "Haber came from the media," said the same informed source, he knows all its weaknesses, its fears, and its preferences, as well as those of each individual belonging to it. And if there is something in which Eytan has wonderfully succeeded, it is his ability to keep and preserve that pact, that process. Haber knows that one of the most threatening things to the media is protectiveness. He protects Rabin from people who annoy him. That is a major tool. Because people are afraid to call Rabin directly, they call Eytan, and that is part of his power. He decides when the minister is to be asked questions and when not. Haber's job is not to package Rabin, but to create savings of a scarce commodity. That is his main power, parceling out the defense minister. From this viewpoint, his strategy is similar to that of Shamir's advisers."

Haber came into his post from a very senior position with YEDI'OT AHARONOT and with the military press in general. When Haber went to the Defense Ministry,

the late Noah Mozes, one of the owners of YEDI'OT AHARONOT, called Yitzhaq Rabin up and told him: "Taking Haber from me is like taking the couch out of my living room." Haber was a military correspondent for 26 years. His relations with senior press and television journalists—which are as good as close friendships—afford him almost limitless freedom in maneuvering items to the media. If there is the smallest problem, Haber calls up chief editors or the television director. Once in a while he convenes five or six senior journalists for a talk with Rabin. Although the talk may not be for publication, it gives the participants a feeling of greater involvement than their colleagues. Haber is the one who decides who will sit in at the meeting and who will not. No one is willing to damage the idea of friendship, which Haber has raised to a sanctified status. And Haber is not at all reluctant to use phrases like "a personal favor," "for a friend," "we're friends, aren't we?" Even the television cameramen are his friends. Do me a favor, don't put the minister on film now. And that PALMAH concept works like a clock.

"Eytan," said journalist Gid'on Samt, "knows just how to play the media. He does it just right, without giving the feeling that he is using it. Recently, he initiated the access of foreign television teams to Lebanon. That is a typical Haber maneuver. He facilitated their entrance into Lebanon without attempting to instruct them, thereby attaining two objectives: first, he allowed the world a look into the difficult and terrible situation of that country after we left it; secondly, he diverted attention from the intifadah. In my opinion, Haber had a hand in the timing of Rabin's announcement of his political plan. It was Haber who recommended the minister unveil his plan on the particular weekend on which he did. That greatly improved Rabin's standing with the media. And timing carries a powerful momentum."

"Haber," Samt added, "is an honest man, and I never had occasion to be disappointed in his integrity. He is very wise and he is not pretentious. I assume that his work involves all sorts of things that do not necessarily go together with the traits I mentioned and that occasionally one has to bend with the wind. But to Eytan's credit it has to be said that such deviations are not especially prominent."

Not long ago, Gid'on Samt's POLITIKA asked General (Res) Moshe Bar-Kokhba' (Bril) to write an article about the process of learning lessons in the IDF [Israel Defense Forces]. The chief of staff and the IDF spokesman were inclined to authorize the article. And then, an item in DAVAR stated that Rabin's office refused to allow the publication of the article. Samt went to Haber and tried to persuade him to allow publication. The authorization came by noon the same day. Eytan Haber telephoned all the military correspondents and asked them not to write that the article had been authorized for publication. One of those correspondents claimed that Haber did not want to make the defense minister's office appear ridiculous—

banning an article in the morning and authorizing it by noontime. Whatever the case, news of the authorization of the article did not appear in any newspaper. Eytan had so requested.

Haber has connections not only among the major newspapers, but also among senior politicians. Haber, who is a friend of Ministers Ehud Olmert and Dan Meridor, has put his connections to good use and has served as pipeline between Rabin and Prime Minister Shamir at the time of the formation of the current government. Haber's contribution to Rabin is focused on his weak points, and consists mainly of the adviser's great network of connections, his thorough knowledge of the media, monitoring the minister's exposure, and activating his connections beyond the narrow area of his profession. "A first class manipulator," say his best friends fondly.

The minister's latest visit to the United States took place at the peak of the intifadah, when criticism of Israel was very sharp. Before the visit, a foreign correspondent disclosed to the media the story of the Iraqi chemical weapons. Haber realized that the story made a big impression in the foreign press and decided to jump on the band wagon. At the beginning of his visit, Rabin emphasized that topic and managed to turn it into headlines, which diffused the sharp criticism of IDF actions in the territories. Knowing the media, Haber also chose not to tell about Rabin's visit with President George Bush and with former candidate Michael Dukakis. He allowed the newspapers to make gloomy predictions about the visit, and on the eve of the meeting with Bush he summoned the journalists and nonchalantly told them about it. The trick of delaying that report against the background of the pessimistic predictions took the journalists by surprise and generated large headlines that marked a turning point in the reportage on the visit.

Eytan Haber's personal and professional closeness to Yitzhaq Rabin constitutes his power base. His acquaintance with Rabin dates back 31 years, to a time when Eytan was an enlisted man serving as BAMAHAANE correspondent, and Rabin was the commander of the Northern Command. He followed the commander of the Northern Command for 1 and 1/2 years, who, in a way, instructed him in what to write and how to present things. The year 1958 was stormy and filled with events, such as the shelling of Halif, Dardara, and Jilbina. After his release from the army, Haber got a job with YEDI'OT AHARONOT through caricaturist Ra'anana Luria, and soon became a military correspondent. The IDF was small at the time, military correspondents went on operations, and no separation was felt between military correspondents and the system as a whole. At the time, the media, too, believed that security was more important than everything else. Until the Yom Kippur war, the media and the army stewed in the same juice.

Haber established good relations with military personalities and even came to be known to his colleagues as the "Air Force King," because of his relations with 'Ezer Weizman and Moti Hod.

Haber consolidated his position on the newspaper and took part in every important media event. His wide network of relations with military people and the initiatives and ideas that he continuously produced for the benefit of YEDI'OT AHARONOT's circulation almost made him an institution. His engagement party took place in the house of Noah and Paula Mozes. He was very close to YEDI'OT's strong man, Dov Yodqovsqy. One of his initiatives was to bring big names to the newspaper. Eytan could give up his identity and he frequently wrote articles for the big shots, which then appeared under their names. He elevated this to an art in one case, when he wrote a whole interview with 'Ezer Weizman without talking to him at all: he wrote both the questions and the answers and allowed 'Ezer a quick peek before the interview went to press.

Eytan Haber has what is known in journalistic jargon as an easy pen. He almost never typed his reports, just dictated them on the telephone, thus skipping the entire process of writing, changing, editing. At press conferences he sat with a closed notebook in his lap. He wrote books at the same fantastic speed at which he wrote articles and reports. He has written seven books, among them "The Year of the Dove," on which he collaborated with Ze'ev Shif and Ehud Ya'ary, "Lexicon on Israeli Security" which was also written together with Ze'ev Shif within a matter of 5 months, and the first biography of Menahem Begin. Asked once why he never wrote a book by himself, he said: "I am too lazy, I need a push. My colleagues usually gather the material, do the research, and I write. The books brought him a lot of money, and there is no disputing his commercial sense. Yehi'el Qadisha'y was once heard remarking: Haber is the only person who made a profit from Begin.

Haber began his writing career in first grade, because of his jealousy of his fellow student, Arie Han, MAFDAL [National Religious Party] Knesset secretary. His friend Arie published a poem in the newspaper HA'TZOFE LA'YELADIM. Haber was entranced by the sight of Arie's name in print, and he immediately wrote a poem and sent it to the same newspaper: "Here, the rain has come/Everyone is going to work/In coats, jackets, and boots/The skies have opened." Yes, the poem was of course published.

"Haber is extremely good at maintaining his relations with people," a friend said about him. When Rabin was Israel's ambassador to the United States, whenever he came home he used to visit Haber in order to learn what was really happening in the country. Haber did not abandon his friend Yitzhaq even when the latter was exiled to the political wilderness. They toured the world together, called on heads of state, and Haber published a series of articles, first in a newspaper, then as a book:

"Yitzhaq Rabin Talks to Leaders and Heads of State." When Rabin was elected defense minister, there was no doubt that Haber would come into his office. Nahman Shay served for a short while as Rabin's adviser, after which Haber complied with the minister's request and replaced Nahman Shay.

As a result of the relations he established with political figures as a journalist, Haber was deluged with job offers. Ten years earlier 'Ezer Weizman offered him the post of commanding officer of IDF Radio. Haber agreed, but then delegations from the radio station began entreating him to renounce the job in favor of Tzvi Shapira'. Haber complied with the request. The offer, however, has remained open to him to this day.

These days, days of political infighting between Yitzhaq Rabin and 'Ezer Weizman, Haber is maneuvering between his two friends with accomplished talent. His friends claim that he is more readily identified with 'Ezer's ideas than with Rabin's. Haber never displayed even a hint of lack of solidarity or unease with his employer's ideas or actions. During the Lebanon war, Eytan Haber, together with other journalists, joined the campaign against Ariq Sharon and the war in Lebanon. One year before the war he published a poem in his newspaper about the rain that preempted the outbreak of war: "God show us mercy and save us/Don't stop the thunder storms and torrential rains/The low clouds/The snow storms/The streams of mud/Don't stop even for a moment/There won't be any drought anymore/The water level in the State of Israel will rise/And a few hundred young lads will owe their lives to You."

When the poem appeared, Sharon asked Rafal [Chief of Staff Rafa'el Eytan] to repeal Haber's permit as a military correspondent. The other military correspondents brought pressure to bear on Rafal and in the end the sentence was lifted.

Haber, the only survivor of Menahem Begin's famous motorcycle campaign, found himself, in what was an extreme reversal, fighting against Ariq Sharon and the Lebanon war.

"My first childhood memory," he told Ya'akov Agmon on the show "Personal Questions" on IDF Radio, "was at the age of 5. I had diphtheria and my condition was more than desperate. I remember British policemen and detectives bursting into the house and taking my father to 'Akko jail. He belonged to ETZEL [National Military Organization], which today is called the National Camp. That story makes it clear where I come from. I come from the revisionist school. I will not deny that I was raised to view the Labor movement and its leaders as bitter enemies. My father, Yehuda Haber, was a willing slave to that party. He was a completely convinced disciple. When there was a need to go out on demonstrations, he went out. When it was a matter of disrupting May Day demonstrations, he did that, too."

Haber went to school at the Bilu religious school in Tel Aviv, although his family was not observant. Disregarding his father's advice, who wanted to spare him the feeling of discrimination, he joined the Bitar Movement. "I can still hear the sound of the sharp slap I got from my father at Metzudat Ze'ev, in the presence of all my friends, when he discovered to which movement I belonged."

Haber left the religious high school and moved to 'Ironi D [municipal school]. "Every Friday, 600 students came in blue shirts [of the Labor Youth Movement], and I came in a white shirt. On May Day I was the only student to come to school, and I remember the sarcastic barbs of the principal, who used to wait for me at the gate. My life there was unbearable. I had six F's on each report card, and that was because they didn't want to give me 10."

The turning point, Haber related n IDF Radio, came in a process that began during the war of attrition. At that time, he initiated the publication of victims' pictures in the newspaper. "I viewed that as honoring the victims. Without exaggeration, during that time I went to the houses of some 200 bereaved families—not 1 week or 1 month after the announcement, but 1 hour after it. I remember that in one case I reached the family before the IDF representatives. I rang the doorbell and I heard a woman's voice whistling and singing. I realized that I was too early, so I turned around, and then I saw the IDF delegation getting out of their car. The second incident that had an impact on me occurred during an operation in Lebanon, which I had joined as a reporter. I was standing in an APC [armored personnel carrier] and I saw a shell sever the head of a soldier who stood right next to me."

Then the Yom Kippur war broke out, "and what happened from that moment helped me understand that war can be different." But the decisive factor, he continued, was the peace with Egypt. On the day on which the peace treaty was signed, Eytan Haber went to the Qiryat Sha'ul military cemetery. He copied names of victims and wrote a small piece about those for whom peace had come too late. That was his perspective.

Haber carried that burden and his special sensitivity to bereavement to the defense minister's office, where the list of dead is placed on his desk everyday. This time it's Paletinians, but it's still people. It is not easy, he tells his friends.

On one occasion he told a friend: "I came to understand what it means to be defense minister the first time I attended a Memorial Day for IDF victims. Before that, on memorial days I used to go to the cemetery with the masses. When you are in a throng of people, you lose your identity but gather strength. All of a sudden, I was standing 5 meters from the minister, on a patch of green lawn, and he was standing alone facing 20,000-30,000 people. Some 40,000 eyes were fastened on him and he was standing there, alone on the grass. And then I

suddenly realized that his decisions, his statements, his judgment will decide whether the following year 40,000 or 45,000 eyes will be staring at him. That moment made clear to me the precise significance of the role of the defense minister. Not discussions, not talk, all that is unimportant. On the way back that night," he told his friend, "we were both silent. No one said a word."

His relations with Rabin and his family are very warm, although in public he is careful not to let that show. He visits the minister at home and is close to Lea Rabin. Haber's wife died 4 years ago, and he was left alone with two children: Mikhal, who today is serving in the IDF, and Ilan, 14. "He has still not recovered from that tragedy," said a good friend, "he put all his energy into work."

Haber, a sentimental man, was touring the territories with the defense minister. An old Arab couple suddenly approached them sobbing, and requested permission to be reunited with their family. The crying broke Haber's heart, and he promised that the thing will be done. And it was done. "He is a good soul," say people who know him. At the Defense Ministry he has put a lot of time into the care of bereaved families. Among other things, he sent them letters on behalf of the minister. One letter which he received in reply from a bereaved mother read: "Every year I used to throw the defense minister's letter into the garbage. This year, I was moved."

Haber is the one who recommends to the defense minister to shake the hand of a retiring sergeant major, or to invite the soldiers who work as switchboard operators for a drink in the office. One does not need a profound analysis of Rabin's personality to realize that such a thought would never have occurred to him. Haber, whose strength lies in bigger than life productions, was the figure behind the scenes on the IDF display on the occasion of the State's 40th anniversary. His initiative did not gain wide support in the IDF. In the end, he got the project moving. He took care to invite people who had been forgotten, too, their sons, grandchildren, and wives. Haber remembered everyone. The invitations read: "The defense minister invites you...." The credit, of course, went to the defense minister. Haber has no complaints. In a way, Haber is Rabin's human side.

Foreign Banks Curtail Operations

44230095a Tel Aviv MA'ARIV in Hebrew 21 Apr 89 p 4

[Article by David Lifkin]

[Text] The foreign banks that were involved in recent years in granting loans to Israelis have in the past few months refrained from expanding their dealings with the business sector in Israel. This is due to the problems of Koor and of the kibbutzim.

A senior foreign banking source noted that banks abroad are now following a policy of waiting for developments in Israel.

The problems of Koor and of the kibbutzim caused not insignificant losses to the foreign banks, because they had extended loans of considerable size without obtaining appropriate securities. Another factor that deters foreign banks from granting loans to businesses in Israel is the continuation of the intifadah [uprising] in the territories, which causes them worries concerning diplomatic developments in the region. The bankers also assert that there are great uncertainties concerning the economic situation in Israel, as at this time there is no clear policy that would pull Israel out of the recession and into renewed growth. The source added that they are well aware of the balance of power within the Israeli government, and, therefore, in their opinion, there will be surprises in the diplomatic sphere, so that they do not want to find themselves stuck with excessively large loans.

Foreign bankers are also criticizing the way in which Koor was managed in recent years. The source noted that the foreign banks had placed at Koor's disposal large credits on the basis of estimates that had been submitted to them on developments expected in the firm in the coming years. The balance sheets that they received also did not reflect the sad reality. The banker stressed that Koor's people always gave the impression that the government of Israel would not allow the firm to collapse and that it was the factor that actually guaranteed the credits that Koor received. But the reality was different, and the foreign bankers found themselves trapped with large loans with little chance of recouping the larger part of them, the source said.

Economist Discusses Export Policy

44230095b Tel Aviv MA'ARIV in Hebrew 21 Apr 89 p 2

[Article by Professor Leo Lederman]

[Text] Although we heard at the end of last week a piece of good economic news—inflation was only 0.5 percent in March - this week the economy received two pieces of bad news concerning the trade deficit and the level of economic activity:

- According to the Central Bureau of Statistics, Israel's trade deficit grew 9 percent in the first 2 months. During the first quarter of 1989, the deficit reached \$600 million, due to a decline of 7 percent in exports and a simultaneous increase of 3 percent in imports. Likewise, in the past months a decline of 5 percent was registered in industrial exports in comparison with the same month (March) last year. This decline actually comes to 10 percent in industrial exports (excluding diamonds).
- According to the Bank of Israel's Companies Survey, the decline in activity continued in most sectors of the economy during the last 3 months of 1989. The Survey states, on the basis of a decline in orders for the domestic market and for exports, that the slowdown apparently will continue also in the next 3 months in most of the companies in the industrial,

transport, and hotel branches. The decline registered in economic activity is expressed in a drop both in output and in sales. The trend of layoffs in all branches of the economy also is continuing, similar to the trend during 1988.

The Correction Was Partial.

Therefore, the picture that emerges is not good: the spiralling trade deficit, accompanied by a deepening of unemployment. What exactly caused these developments? And how can the direction be changed as early as possible?

Much of the aforementioned developments may be explained as a delayed response to economic events in 1988, especially changes in important relative prices.

First of all, it is reasonable to assume that the exchange rate freeze policy in 1988 contributed a great deal to the worsening of the situation that was noted above. It is well known that when the nominal exchange rate is frozen and, at the same time, domestic prices continue to rise, the shekel is, in effect, revalued in relation to foreign currencies. This revaluation impairs export profitability and encourages increased imports, phenomena that tend also to reduce domestic economic activity.

While it is true that there was a certain correction in this policy following the devaluations of 5 percent in December last year and of 8.3 percent this January, this correction was only partial. The relative prices in our foreign trade are still about 10 percent lower than in 1986 (which was a better year from the viewpoint of the trade deficit).

Secondly, not only has the business sector experienced a decline in its terms of trade, but also the real wages that it pays have gone up recently, an increase that is not explained by a simultaneous increase in productivity. For example, the wage per unit of industrial output (excluding diamonds) during 1988 and at the beginning of 1989 was about 15 percent higher than in 1986.

Thirdly, the real interest rate remained at a high level of about 2 to 3 percent per month.

Therefore, it's no wonder that when the business sector is asked to pay relatively higher prices for the labor that it employs and for the credit that it receives, and at the same time there is a decline in export profitability, negative tendencies develop, such as those we learned of this week.

How can we change direction? That is, how can employment be encouraged and the trade deficit improved? Everyone who has studied Introductory Economics knows that in an economy with unemployment and balance of payments problems, a devaluation of the domestic currency can improve the situation in two ways: an increase in employment and a reduction in the

balance of payments deficit. A real devaluation increases export competitiveness, makes imports less attractive, and encourages employment. In this sense, encouraging exports can "kill two birds with one stone."

Make the [Exchange] Rate Flexible

I do not propose here that we take the step of a unilateral devaluation, as in the 1960's and the 1970's. Our exchange rate regime today is one of a controlled float, which is expressed in a "band" that allows the Bank of Israel to devalue or revalue the shekel within a 3 percent limit, without these fluctuations being perceived as sharp and unilateral changes. As of this moment, the official representative exchange rate for the dollar is 1.81 so that the upper limit of the band is 1.86. In my opinion, what is required today is greater flexibility in the exchange rate policy, so that the target rate within the band (which is today 1.81) will be adjusted upwards gradually. Such a policy would create a trend of gradual, small devaluations, which could be spread over a period of several months.

It is important to emphasize that the situation of the economy under the present conditions is relatively amenable to the implementation of the measures proposed here. There are not now demand or cost pressures that could bring about an immediate explosion of inflation. Likewise, the Histadrut must be aware that the greater the sterilization of the gradual devaluations, the greater the likelihood of the success of the policy in increasing employment and reducing unemployment.

In other words, the situation of the economy is such that gradual devaluations can bring about the desired real devaluation.

According to the textbooks, a devaluation in an economy without full employment can bring about an improvement in the balance of trade and in employment. The time has come to try this prescription, in a gradual and controlled manner (such as the situation and the institutions in 1989), and, in this way, to kill two birds with one stone. The continuation of the present situation does not bode well.

Former Mosad Head, Zamir, Interviewed

44230105 Tel Aviv MA'ARIV in Hebrew
9 May 89 pp 1,2B

[MA'ARIV interview with former Mosad head, Tzvi Zamir by Ya'aqov Erez and 'Oded Granot]

[Text] Past events do not weigh heavily upon General (Reserve) Tzvi Zamir, who for 6 years was head of Intelligence and Special Missions. The question that does preoccupy the man who for years has been far removed from the military and intelligence apparatus and who currently is the chairman of the Board of Directors of the Israeli Refineries is, what will happen in the territories if Israel finds itself in a general war against

the Arab countries. At the beginning of this interview, instead of answering questions, Zamir considered the attitude of the IDF [Israel Defense Forces] and the security system toward the intifadah [uprising] and presented his thoughts on a future war and on preparations for war in general.

[Zamir] "I have heard army people make terse and final declarations along the lines of the old assumption that 'the regular army serves as the stopper.' That assumption always amazed me. I hope that this time it has been better verified. The reason I ask this is that I hope that today the situation is being assessed more thoroughly than was the case in the past."

[MA'ARIV] You are mature enough not to fool yourself, but don't be too sure that today the situation is better than it was in the past.

[Zamir] "I don't know. I want to hope so. It is also because I know the people involved that I hope they assess events much more thoroughly than was once the case and that they rely less on intuition."

[MA'ARIV] In our introductory talk you said that in the wars with which you were most familiar, the General Staff did not base its preparatory work on intelligence data....

[Zamir] "We are not the only army that fought one war according to the pattern of the previous war. Everyone can learn from that. Among the wars that I witnessed there was only one major one in which that rule clearly did not apply. I am referring to the 6 Day War. That is why I want to suggest that this war should serve as a model. Based on my knowledge of previous wars I can state that the intelligence that Israel had in the Yom Kippur War was far superior to that available in the 6 Day War. There is no comparison."

[MA'ARIV] What intelligence did Israel have in the 6 Day War?

[Zamir] "We learned about the operational concept of the enemy by watching the way in which they went about their deployment. We investigated the doctrine that guided their method of deployment and build-up with the help of foreign and not so foreign sources. We applied what we learned from that information to the entire IDF organization and to the way that the next war should be fought, if it came. Those conclusions had an impact on the organization of small and large units, and the training of the units was adapted to their missions according to the changing conditions. I am not talking about early warning. I am talking about intelligence and preparedness for war. At the time I was head of MAHAD [Training Branch]. I was expected to understand and I have a thorough understanding of this subject. I would have expected that to be our guiding model. And as I told

you, I do not think that this matter was exhaustively studied in the lessons of the Yom Kippur War, and I do not know how it was implemented in the other wars since then."

[MA'ARIV] A few days ago DVAR HA'SHAVU'A wrote that on 25 September 1973 a verified piece of information came about Husayn, who had told (Prime Minister) Golda that war may break out. You were the head of Mosad at the time....

[Zamir] "I read the press articles. Unfortunately, I cannot react to them. I simply cannot. You will not drag me into that. Let's assume that such information existed—how are you going to check what was done with it.... The subject of the intelligence performance has been worn thin. I don't think there is any point in going into it again. These matters were considered at great length in the report of the Agranat Commission which dealt with the subject very thoroughly."

[MA'ARIV] If such a piece of information came to the prime minister, and if she had reason to believe that a very reliable source stated that the Egyptians and the Syrians were preparing for war, and if, in addition, there were indications in the field to that effect, was that not enough for the prime minister to view what was happening very seriously?

[Zamir] "I cannot tell you to go check this out with Prime Minister Golda Me'ir. I will not be dragged into reacting to that report. All that I want to say is that I am being hounded for unverified and unfounded statements. Somebody says or blurts something, and a newspaper picks it up on the excuse that the public has a right to know. Some of the things that appear in the press are meant to provide 'support' for those who fed them."

"Believe me, I have an enormous urge to reveal things. So far I have been able to resist it because I think that one must absolutely not do it, and I will not do it. I don't want to leave the job to the censor, I am my own censor. If we had an organized, authorized body, not the press, which wanted to restudy the facts in order to learn from them, I would cooperate fully. If the minister of defense or the government decided to investigate things that had not been investigated or to more thoroughly check things that had been checked, I would welcome it. No such information was ever kept from Military Intelligence. I have every praise for those who came out seriously damaged by the Agranat Commission and who had the civic courage to point the finger at their own mistakes. At the same time, my complaint is that there are aspects that are being 'smoothed out,' covered up. That is what I am talking about."

[MA'ARIV] You also told us before the interview that the General Staff did not act on the intelligence data that existed on the eve of the Yom Kippur War with respect to structure, tactics, strategy, etc. Now, however, we hear about new information concerning additional warnings of war.

[Zamir] "You are going back to something that has been exhausted. The question is whether the facts, in the form in which they accumulated, were compelling enough to change what is known as the 'concept.' Just now you told me that you were present on the Saturday afternoon when the chief of staff met with military correspondents and told them that there would be no war and that the facts circulated were not sufficient to change the concept."

[MA'ARIV] Perhaps Ze'ira' was not aware of that particular report?

[Zamir] "You are asking whether it is possible that a vital piece of information remained unknown? That seems to me utterly impossible. Impossible! The assessment in the area of strategy was wrong. The national intelligence assessment was that there would be no war. No one disputes the fact that those responsible for that sort of assessment, right or wrong, were mistaken."

"I am convinced that the danger of being taken by surprise exists in every war, and in our case even more so. What we are dealing with here are regular armies and (Arab) governments which do not make such decisions in parliament. On the contrary, that is sometimes decided by just one man. We are also dealing with very short time spans. Those regular armies are in a permanent state of alert, and some of them are near the border with Israel. There is no comparison with the situation in our country. Here the army must be mobilized because it consists mainly of reservists, certain decision-making procedures must be followed, there is the press, radio, leaks, everything. Consequently, our intelligence system must keep a very sharp eye out for every sign and every signal. The Agranat Commission made a suggestion, that was not implemented, to appoint an intelligence adviser to the prime minister."

"You ask whether we can ever again be taken by surprise? My business now is oil. When oil is spilt there is fire, consequently one does not rely on only one tap. One has two, or even three taps. The question is what insurance level you have. Let's go back to intelligence: as is only natural, there are disagreements between the independent bodies required to give an answer to the same question. Were it not so, there would be no sense in having different bodies. The whole point is to have differences of opinion, which should then be discussed at a higher level. Is that the case today? I don't know. The reason that the Agranat Commission suggestion to appoint an intelligence adviser to the prime minister was not implemented is that the government did not want any structural changes, as it would have had to make. At the time Prime Minister Yitzhaq Rabin invited me to serve as his intelligence adviser. I agreed, but for political reasons nothing came of it. Some changes were made, but within the organizations themselves, not outside. You ask me whether that was good? Better than nothing."

How does it work? I don't know, because at the time when I was in the job [head of Mosad until 1974], it was still not crystallized. I hope it works well."

[MA'ARIV] Do you today recommend the position of an intelligence adviser?

[Zamir] "Yes. The Agranat Commission dealt with this in a very general manner, and therefore my answer does not include details. But in principle I think that the prime minister should have at hand someone he fully trusts and who can help him steer; at the least he can help present problems in such a way that the assessing bodies—after all assessments are provided by more than one body, what the Agranat Commission called 'pluralism'—will each give its answer at the same time. It is not the function of the adviser to synthesize those reports. He presents the differences that he thinks should be considered at that level, making sure that each body has its say. Pluralism cannot be practiced in every area, but wherever possible it should be observed. There's no point in continuing on this subject at length."

[MA'ARIV] Is it possible that the idea was not realized because of opposition from the intelligence services, for fear of having someone appointed above them?

[Zamir] "When my name came up as intelligence adviser I had a friend—not a bosom friend, more of a colleague in the Western intelligence community—who wished me well, and he said to me in English, 'Tzviqa, stay with the troops.' He had had some experience in such matters. I know this intelligence community. Each organization has problems with this. It's understandable, it's natural. There is such a thing as professional jealousy. I think that one of the possible solutions is to have someone who is not in charge of the intelligence community. The adviser should coordinate the community bodies with respect to the presentation of position reports on the subjects that must be considered. He must view the level of intelligence coverage from an objective angle. Today there is no one factor that does that, neither was there one in my time. The order of priorities is established in a voluntary manner by agreement among the various bodies. They are all well intentioned, but we are not talking about intentions, but about someone who can come and check the level of coverage—someone to decide on the order of priorities stemming from the degree of danger. In view of the fact that means are limited, he can suggest, for example, to deal with this subject, rather than the other. Also, there must be perhaps two or three subjects that he will follow more closely. He must know the sources. He must be familiar with the assessment of the sources so that he can tell whoever reads a report: look, this is worth reading with special attention. Report readers must make decisions on the basis of information received. They need some reference to the source—clarifications, perhaps. I repeat, the adviser is not a higher rung in the echelon."

"The idea of appointing an adviser may not be ideal. Everyone will tell you that Israel has already had this sort of experience, and it wasn't a good experience. I am familiar with all the experiments. It is not ideal. It is difficult. People don't like it. But the point is, when you have your son vaccinated you don't ask him whether he wants the shot or not. You know he needs it, and that's how this matter should be viewed. I think that this view is still correct and that the deed should be done sooner rather than later."

[MA'ARIV] And you think that this can be done with the current leaders of the community?

[Zamir] "This is not a question of whether it can be done. Just as you don't ask your son whether you may give him a vaccine shot."

[MA'ARIV] For that, however, the status of all the heads of the community must be changed.

[Zamir] "I'll give you a theoretical example. Let us say there is a crisis in Jordan, and I assume that you assess the situation there differently than your colleagues in the field. Because if all of you thought the same thing one wouldn't have to read more than one newspaper. I assume that different people in possession of the same information will arrive at different assessments."

"When a subject is of national importance someone must say, Gentlemen, supervisors and experts of the community dealing with this: The captain wants a discussion on the subject; we need two, three, or four position reports. Position reports will be very important and they will not obligate community supervisors, because the head of the community does not know everything. Neither is he expected to know everything. But I assume that the person who deals with a specific field, which is his area of expertise, will know more."

"These people will present their position, after which it is possible that the adviser will say, there is another aspect worth considering, namely this and that, and since he is trustworthy, he can also say, on what grounds do you claim that? On what basis? And then the adviser can take these reports—without synthesizing them, because if he did, then we would have the same mistake on our hands, namely one assessment. Representatives of assessment departments in the intelligence community should present their positions to the leader, so that the latter can make decisions."

"I can go one step farther. In my opinion, when it comes to certain areas, the leader must be kept on the alert constantly. He needs to have his finger on the pulse every day of the year. Someone should stand by him, someone who has no vested interests, to monitor and to see, for example, how well we are equipped for early warning. If we consider the Yom Kippur War once more, we see that the warning tools that were available at the time were built upon assumptions different from what actually

occurred, so that doing one's job was difficult. All that the Arab armies needed to do was to remove the tarp and start rolling. While the Arab armies were deployed near the border we lost our warning capability without establishing an alternative system to fulfill that important task. The subject of early warning is a dynamic one. Things change. So we need someone in charge of that area, someone who would serve as the alarm bell. There are other areas, too. For example, monitoring possible threats to Israel in the area of unconventional arms. That requires special attention and is a particularly important subject. The leader may not be particularly alert to it, but the adviser can provide him with this 'service,' namely monitoring sensitive areas."

[MA'ARIV] Recently various publications have been pointing out glitches in the activities of the "Mosad," which has in fact grown and acquired considerable power....

[Zamir] "Nothing is foolproof. Wherever things are done some are done very well, some less well, and some fail. Much to my joy, the organization that I know is not merely improving and becoming more sophisticated, it has become better. My successor made it better than it was in my time. The question is whether the Mosad is fulfilling its mission and tasks, and whether it has the tools to do so better than in the past. If you ask me, the answer to this question is positive, too. It does have more sophisticated tools. It has good people dedicated to their work."

"That does not mean that there are no failures, as there were in my time. However, it is not fair to take one thing that someone thinks was a failure and to make a big to-do about it. Unfortunately, that is our lifestyle in this country. Everything gets written down in history."

[MA'ARIV] In your time as head of the Mosad there was one failure—the Lilha'mer affair—that received a lot of exposure....

[Zamir] "Sorry, I cannot talk about it."

[MA'ARIV] Intelligence services are increasingly relying on electronic espionage and somehow neglecting the human factor....

[Zamir] "That is what you think. Don't drag me into that."

[MA'ARIV] Is there still room for agents in the modern era?

[Zamir] "One hundred percent, in every country and throughout the world."

[MA'ARIV] Is the importance of agents the same as in the past, before the development of technological means?

[Zamir] "It depends who the agents are. The threat is so great that it justifies efforts to collect information in various areas. I repeat, one complements and throws light on the other. The State of Israel could not exist without it."

[MA'ARIV] In spite of all that, there have been warning failures, like before the Yom Kippur war....

[Zamir] "It is the job of the army to defend the State of Israel in times of danger, with or without early warning. Some want to have more than 24 or 48 hours warning. It is very seldom that you do get a warning. For example, everyone says that there was a warning in May 1973, the army was ready (for war), but nothing happened. It is the duty of the army to be prepared even 1,000 times for nothing. That is its purpose. Do we want early warnings so we can sleep quietly?"

[MA'ARIV] It has been said that you intend to sue General (Res) Yo'el Ben-Porat for what he wrote (in an article that appeared in the monthly MONITIN, in which he accused Zamir and the Mosad of negligence in the matter of warning in the Yom Kippur War). Are you prepared to comment on that?

[Zamir] "I find it difficult to talk about that. The matter is sub judice. The subject is worthy of more thorough discussion, not public discussion, and also, I don't want to harm Yo'el himself."

[MA'ARIV] What is in question is the event, not the man....

[Zamir] "The things he talks about are not worth discussing from the point of view of truth and exactness. I and my colleagues have a problem in such circumstances: in order to wrestle with the subject we have to disclose information. Much to my regret, the only possible avenue is a legal suit. By definition, legal procedures require disclosure of information. So I don't know what will happen. I have great difficulty making disclosures in order to go to court."

[MA'ARIV] Is there anything in the facts that he has disclosed?

[Zamir] "I cannot answer that. I can only tell you that there is nothing new there. It was published within the Army, then the paper was collected and repealed, and then Yo'el went to the newspapers with it. I came upon it quite by accident. He did not consult me."

[MA'ARIV] The press wrote that an investigative judge in Italy is very interested in questioning you in connection with alleged Mosad involvement in the downing of an Italian Dakota that was flying Palestinian terrorists....

[Zamir] "There is no truth in that."

[MA'ARIV] Do you have any problem going to Italy these days?

[Zamir] "I don't think so. Give me a good reason to go to Italy, and I will go."

[MA'ARIV] That means that you are not worried about the actions of an Italian judge....

[Zamir] "I am not familiar with legal procedures in Italy so I don't want to comment on that."

[MA'ARIV] Do you have a theory about the motivation behind that report?

[Zamir] "All I can say is that it does not concern us. We—and I, personally—have somehow become mixed up in this. Do you think I like it? Certainly not. Is it justified? Definitely not."

[MA'ARIV] You seem to have greatly enjoyed your 6 years as head of the "Mosad."

[Zamir] "It is a very interesting job and something that does not happen twice in a lifetime. I really loved it. There is a lot of magic in that position. John le Carre was here. He got in touch with me through someone and asked if I was prepared to have a cup of coffee with him. I said, why not? I read your books."

[MA'ARIV] That was before "The Little Drummer Girl" (whose plot is reminiscent of the mysterious liquidation of terrorist leaders in Europe in 1973)?

[Zamir] "We had coffee, and le Carre told me some very interesting stories about his career. I said that of all the professions I can think of there is maybe one in which you can do more than the head of the Mosad can do, and that is writing fiction. As head of the Mosad your imagination is the limit to what you can do. Moreover, I don't know of any other job in which one can enjoy such freedom and such power. And when I say power, I don't mean capability to decide and act. I don't know if it's still the case today. It seems to me that there has been some erosion in that respect. In my time I dealt with an extraordinary group: anything we thought was feasible and important, we had the means to carry out. We did not succeed in everything, but we did accomplish some. Some areas were a great challenge. I 'stumbled' into the terrorism business with all its complex ramifications."

[MA'ARIV] Terrorism, however, was not eliminated....

[Zamir] "You don't eliminate terrorism. This kind of terrorism cannot be eliminated. Look at what is happening in Lebanon. There was an attempt to defeat (terrorism), there was the Lebanon war, and, without going into details, I can say that the freedom of action that Israeli citizens won because of some things we did was very great. At a given period Israeli citizens enjoyed great security when they went overseas."

[MA'ARIV] You once said that during your time terrorism abroad decreased considerably.

[Zamir] "We had a great problem about security abroad and we dealt with it in various ways, not only through the Mosad, but also the Foreign Ministry and the Security Services, too. In some instances, I think that the security of Israeli citizens abroad increased incomparably within a short period of time. This is still true, a few transformations later. You will ask whether that solves the problem? Certainly not. There is no military answer to terrorism."

[MA'ARIV] You served under several prime ministers, from the late Eshkol and Golda, to Rabin. You served the longest period of time under Golda Me'ir. She is quoted as saying: My relations with Tzviqia were excellent; I did everything he wanted me to....

[Zamir] "We had an excellent relationship. I greatly appreciated that, because she did not know me, she inherited me. But to be more precise, what she said was: Working with Tzviqia is very easy if you do what he wants."

[MA'ARIV] Nevertheless, there were a few serious decisions that you wanted passed and she said no.

[Zamir] "There were things I thought superfluous and she wanted done, and there were things I wanted to do which she vetoed. In my opinion, Golda had exceptional instincts. She had common sense. She was simply a wise woman. It was a great experience. We had very interesting discussions together. There was a huge gap between Golda's ability to express herself and Golda's ability to feel. She had trouble expressing herself. But she was extraordinarily sensitive. She had a fascinating personality."

[MA'ARIV] Is the head of the Mosad in the field, or must he be in the field in special operations, such as the Munich tragedy, where you were present, or the Lilha'mer affair?

[Zamir] "I cannot talk about Lilha'mer. You can say that, I cannot."

[MA'ARIV] We may say that you were in the field?

[Zamir] "You may say whatever you please. I cannot confirm it. There are very many things I want to talk about but do not. This topic is, by the way and among other things, connected to Golda and me, and it is particularly instructive, too. I may perhaps talk about it in the distant future. As far as I personally am concerned, the main problem was my decisionmaking need. Accepting decisions was easier for me than for Golda, I think. I remember what she said in this connection. Now that time has passed and I am no longer personally involved, I have great appreciation for the inner sanctum."

"When I consider it today and in relation to other things that are done today, the answer is positive (that the head of the Mosad should be in the field in certain operations). I was in Munich by chance, it was not part of the job. I was not there instead of Dayan, either. Dayan wanted to go and he said, I want Tzviqia to go, because of some connections I had. In a discussion before the incident I said, 'There is no point in my going because the decisions involved are of a political nature.' Then they said, 'Telephone.' I said, 'That won't do.' I didn't want to go and I returned home."

"They called me at the office and said, 'Dayan agrees and he wants you to go, too.' He also wanted a third, Arabic-speaking person. I packed a bag and went to the airport. At the airport there was a great to-do because they had discovered he was there. Dayan said, 'Listen, I'm not going, since they've discovered my presence.' He feared that if it became known that he was going, terrorists might attack the athletes. I suggested, 'Let's leave Ben Gurion airport, go to an Air Force base and take off from there.' But he cancelled his trip and insisted that I fly to Germany. I said there was nothing for me to do there. Dayan called Golda in my presence and said, 'Listen, somebody should be there to keep an eye on things.' Golda told me, 'Please, I ask of you to go.' I went. I agreed with Dayan that we were interested in having them (the athletes and the terrorists) leave the Olympic Village and that the Germans should do what they would (to rescue the athletes) but hopefully with a touch of skill and heart. I was there. I watched with my own eyes. It was terrible—that that should happen on German soil—it was terrible."

[MA'ARIV] Are you saying that they acted without skill and heart?

[Zamir] "At the time Germany lived in fear of a centralist government. Consequently, the decisions were made by the Munich police and the Bavarian minister of the interior. The force that went into action were gendarmes, who were totally unprepared to deal with such a situation. Although exceptional conditions existed for freeing the athletes, victims notwithstanding perhaps, the athletes could at least have been freed with different results. They failed. It was simply because of lack of skills, lack of organization, and lack of training and preparedness for such operations. The proof is that after the fact they established a special unit to deal with terrorism."

[MA'ARIV] At that time they did not have an antiterrorism unit?

[Zamir] "No! On the spot with me was (Federal) Interior Minister Genscher. He could not say anything. When all this happened I pushed him and he said—you're pushing me and I have no authority to say anything here. This happened in the state of Bavaria, and neutralized the

central government. An untrained team dealt with it, and in my opinion, its leadership was more concerned about the fact that the Olympic Games were being spoilt."

[MA'ARIV] Were there, during your 6 years as head of the Mosad, as in later years, internal scandals involving money?

[Zamir] "We live at a time when things are disclosed. People leave and talk. It is a kind of public psychology. It is difficult to keep secrets. People talk. I do not rule out the possibility that in my time, too, there were cases where people were tripped up by money. There are no saints anywhere, we are all human. I remember that during my beautiful 6 years some things did get out, among them things that were very interesting from a journalistic perspective. I used to meet with press editors within the framework of the Editorial Commission and explain to them that if certain information were disclosed, the Israeli people, the Mosad, and people in the Mosad may suffer. It never happened once that they did not listen to me. In some cases I could have stopped publication, like for example in the Lilha'mer affair, but I chose not to because reports had appeared in the international press. I did not view censorship as an internal tool. To the credit of the Editorial Commission we must say that during my time, it was never the source of leaks. I sometimes wonder if that could happen today.

"I recognize the fact that the press has an enormous impact which can be used positively or negatively. Who am I to decide what is positive and what is negative. There have been cases in which the press called public attention to very vital facts. However, the manner in which they wrote about Nahum Admoni was simply shameful, and that because Admony had no way of reacting to what was being published. There is a lot of unfairness in this type of journalistic behavior."

[MA'ARIV] But that is part and parcel of a worldwide phenomenon: espionage organizations, which were once closed, are now being opened.

[Zamir] "To my mind, a democratic government is powerless against such phenomena. It cannot defend itself. You can go to court, but not always. Our society is powerless against people who violate the rules of democracy. The press also has to fight for its existence; it wants to sell another 1,000 newspapers. For many years I sat in on the Journalists' Council. I got nowhere with them, so I quit."

[MA'ARIV] What were your relations with your colleagues in the intelligence community?

[Zamir] "They were usually cordial, correct. We had differences of opinion on many issues. But all in all, the cooperation within the Israeli intelligence community has always been very good, even during difficult periods."

[MA'ARIV] Unlike the relations within the British Secret Service?

[Zamir] "One of the surprising things in which I think we are special, are the relations within the Mosad and among the heads of the Mosad. These relations are very good. There is a feeling of continuity and of belonging to a family. We are very happy with any achievements, just as someone in the IDF feels toward the IDF. In any event, we are better friends than we were before. For example, the relations between myself and Me'ir 'Amit and between myself and Haqa (Yitzhaq Hofy) are incomparably closer now than they were before we each headed the Mosad."

[MA'ARIV] According to your information, and everyone else's in Israel, did the Pollard case cause irreversible damage to the relations between the Israeli and U.S. intelligence communities?

[Zamir] "If a husband has a lover and his wife catches him, does that cause irreversible damage to the family life? Nothing is irreversible in human relations. But in the area of relations between ourselves and the Americans, the damage that was caused is very great and no doubt of long effect. I am saying this without precise information and without assessing whether it was worth the end result. Nothing is erased. This is not a technical malfunction. Relations between people are built up, and it is important to build up relations. The problem in the United States is not the intelligence agencies. They are more forgiving than public opinion. People who are involved in this understand. The agencies are less sensitive to this sort of thing."

[MA'ARIV] Below the surface, the relations between the two services continued as usual?

[Zamir] "I have no idea. There is no point in advancing suppositions. But the significance here grew beyond the area of relations between the two intelligence communities. There is the political significance, which must be taken into account, as well as public opinion. Intelligence communities do not operate in a vacuum, they are influenced by public opinion. A rehabilitation process is necessary, it is important that rehabilitation take place, and I am positive that it will happen, because the Pollard case was an exception to the rule."

[Box, p 1B] Password: Hear, Oh Israel

"Of all the missions and operations for which I was responsible as head of the Mosad," Tzvi Zamir told us, "the most moving and intensive was the rescue of Jews from enemy countries. It was not only the fact that we brought home our brethren, but also that it was a great humanitarian action."

"In one case it was decided that the 'olim [new immigrants] would first be brought by intermediaries to a safe place, somewhere outside the respective country. The moment we learned here that they had made it to that place, our people went to accompany them on their way to Israel.

"I joined the people who went to meet them at the safe place. In the thick of the night I found a mother with an older daughter and two small, frightened sons holding onto each other so tightly that they couldn't be pulled apart. They held their heads down as if they expected to be apprehended by their pursuers and be beaten to death.

"I went to them, touched one of them lightly on the back and they were petrified. I tried to talk to them in English, Arabic, Hebrew. Nothing doing. They did not dare to look up, just sobbed quietly. I almost gave up, but then I had an idea. I called out loud, 'Hear, Oh Israel' [the opening of a daily Jewish prayer]. The heads came up and eyes were opened wide. Another Jewish family had been rescued."

[Box, p 2B] Song of the Nightingale ["zamir"]

Tzvi Zamir, 64, was born in Poland and came to Israel at an early age. He attended the Hertzlia high school. In 1942 he joined the PALMAH [Strike Force of the Hagana]. In the War of Independence, as the commanding officer of a battalion in the Har'el Division, he was responsible, among other things, for the security of convoys on the road to Jerusalem.

1951-53: After the establishment of the IDF he was put in command of the Giv'aty Division. Later he became the commanding officer of the Infantry School.

1957: Enrolled in the Hebrew University. Graduated with a B.A. in Middle Eastern history and geography.

1960-62: Head of the IDF Training Department.

1962-66: Commanding officer of the Southern Command.

1966-68: Head of the Defense Ministry delegation to and military attache in London.

1968-74: Head of the Institute for Intelligence and Special Missions [Mosad].

1974-76 Chairman of the Board of Directors of Solel Bone.

1976-87: Director general of Refineries.

Since 1987: Chairman of the Board of Directors of the Israeli Refineries.

Tzvi Zamir is married and has three children. His eldest son is a genetic engineer with the Agriculture Faculty in Rehovot. The eldest daughter works at Beylinson Hospital, and the younger daughter is a university student.

New Apartment Purchases Drop Sharply
44230132 Tel Aviv YEDI'OT AHARONOT
in Hebrew 14 Jun 89 p 11

[Summary] The first quarter of 1989 saw a 14 percent drop in the purchase of new apartments in comparison to the previous quarter. The drop comes after an 11 percent rise in purchases in the last quarter of 1988. The decline was concentrated in the sale of brand new apartments, with a slight rise noted in sales of existing apartments.

LEBANON

Syria Seeking To Time Battle for Beirut
44040428 Beirut AL-NAHAR AL-'ARABI WA
AL-DUWALI in Arabic 18-24 Apr 89 pp 11-13

[Article: "United States Practices 'Cloud and Rain' Policy Between B'abda and Damascus; Syrians Lure 'Awn to Rush Beirut Battle; War of Capital Will Not Be End of Line But Beginning of Profound Developments at Lebanese and Regional Levels"]

[Text] Political circles have said that the Syrians are working to lure 'Awn to rush the date of the Beirut battle within the framework of a scheme that seeks to saddle him with the responsibility of freezing the mission of the Good Offices Committee. They have also said that it is difficult for the prime minister to modify in any way his commitment to cooperate with the Arab committee "to the end." The sources believe that the developments will head for the "worse and the more catastrophic" before they settle at an international crossroad that will compel Syria to end its aggression against the Muslims and the Christians or to stop the Syrian forces at a "new point" outside Beirut and the suburb.

Politically, the crisis has entered the most horrible phase of Lebanon's history. Militarily, the crisis is at the threshold of the Beirut and suburb battle. Despite the destruction, the losses, and the displacement, the political dimension of the military conflict with the Syrians is the shakiest and deepest dimension. Departure of the Syrian forces from West Beirut and the southern suburb will initially pose the threat of what the United States calls the "political price" of this departure. Since General 'Awn declared his resolution to liberate Lebanon from the Syrian occupation, the U.S. administration has adhered to the "cloud and rain" policy, has intentionally left General 'Awn perplexed as to its real position, and has planned to keep the Syrians pursuing a definite decision. For the first time in the history of the relations between Washington and Beirut, the prime minister has criticized the United States. For the third or fourth time,

the Syrian regime has shelled the U.S. ambassador's residence in Lebanon. Neither the criticism nor the shelling has made any change in the "cloud and rain" policy.

There are expectations that the United States will raise the issue of the "political price" after the Syrian forces depart from Beirut and the suburb. Dealing the Syrian regime a definite military blow is an "issue that concerns General 'Awn and Syria." The definite blow is in ousting the Syrian forces from the Islamic parts of Beirut and its southern suburb. Liberating Lebanon from the Syrian forces is an "issue that concerns the United States and Israel" because it constitutes the "second part" of the Palestinian, or Middle East, issue. The "political price" is likely to become the basis for the U.S. endeavors to establish in Lebanon a "firm truce" in the middle phase falling between the Syrians' departure from Beirut and the suburb and the start of the international conference's activities.

Three American Lebanons?

Political circles have said that the "political price" means, first, partitioning Lebanon; second, dividing large parts of it between Syria and Israel; and third, resettling the Palestinians in Lebanon. This "political price" is the crux of the disagreement between the United States and the prime minister and the principal cause of the troubled relationship between the Americans and the Syrians. Until 23 September 1988, the United States "was" willing to give "all" of Lebanon north of the Israeli line in the south to Syria. Since 24 September, the United States has been working for "3 Lebanons": a partitioned Lebanon, a divided Lebanon, and a resettled Lebanon. Walid Junblatt asserts that the United States is seeking to "bring" the war which started 15 years ago "to conclusion with partition and division." It is believed that the United States "has decided or is on the threshold of deciding" to urge Syria to withdraw its forces from West Beirut and the southern suburb to a "line behind Bhamdun." Junblatt believes that the conditions are approaching a "series of collapses deep in the ground," views the European countries' position with "extreme concern," fears that the "Bush administration will side with the al-Yarzah ruler," and expresses his doubt "in our ability" to stand fast in the face of an international and regional pressure that "begins with withdrawing the Arab Syrian Army" from Beirut and the suburb. There are, adds Junblatt, in the European horizon U.S. signs that a political or military battle is being prepared against Syria. He characterizes the battle which began on 14 March as "more serious than the battle that Arab Syria and the progressive forces faced in the summer of 1982."

When Will the Battle Begin?

Sources have said that an adviser at a communist embassy has determined that the "battle for the control of Beirut will begin" after the Security Council adopts a

resolution reaffirming its past resolutions calling for withdrawal of the foreign forces from Lebanon and after the Syrians and Israelis refuse to abide by the resolution. It is the adviser's assessment that it has become impossible to spare Beirut the "last-card battle" between Syria and General 'Awn, that the Beirut war is the one war that has not occurred in Lebanon throughout the past 14 years, and that the consequences of the "Beirut war" will determine Lebanon's future political map.

Sources have further said that the size of the human and material losses in a "Beirut war" will be smaller than the dimensions of the defeat the Lebanese Army will inflict on the Syrian forces. The Syrians' departure from Beirut in defeat will return the Syrians to a circle narrower than the one in which the defeat suffered on the hands of the Israelis put them 7 years ago. A "Beirut war" will spring a stunning surprise reflected in the Syrian Army's real combat capability—a surprise disappointing to Syria's allies—regardless of whether this army withdraws before the start of the war or stays in the capital. A "Beirut war" will reinforce results with a historical Lebanese dimension and a profound Mideastern dimension.

Sources have also said that a political settlement has become impossible and that a wager on a serious role by the "free world" is a waste of time. The United States is in a critical position as a result of General 'Awn's decision to oust the Syrians from Lebanon. The prime minister ignores the "U.S. role" that the Syrian regime is entrusted to play in the Arab area toward the Middle East issue and toward the task of cooperating with Israel in Lebanon. While waiting for General 'Awn to move from words to deeds, the United States will carry on with the "cloud and rain" policy between the prime minister and the Syrian regime. The European countries cannot confront this policy and do not have the capability to confront Syrian terrorism in their societies. The Americans and the Europeans are willing to give 'Awn "limited aid" after the Syrian regime is dealt a "serious blow" in its withdrawal in defeat from Beirut and the suburb, at least.

Political circles said that any step taken by the Syrian regime to withdraw its forces from Beirut before the battle, as it did in the early summer of 1982, will not absolve this regime of defeat. 'Awn's strength is not only in his decision to liberate Lebanon from the Syrian occupation but also in his putting the Syrians in the defeat corner. The point at which the developments stop will make it impossible for the Syrian forces to stay in Beirut and the suburb. These forces' withdrawal is considered inevitable, regardless of whether they withdraw before the battle, as they did 7 years ago, or they stay in the streets and quarters. The al-Dawrah fire is a message to the Lebanese to anticipate more fires, destruction, killing, and displacement. The al-Dawrah fire is the price which the Syrian regime exacted from the Christians and the Muslims for General 'Awn's decision

to confront the occupation. Future fires, devastating shells, displacement, and killing will be the price for the Syrian regime's withdrawal in defeat.

Biggest Defeat for Syrian Regime

Sources have further said that the Syrian regime is preparing to drown in a defeat bigger than any defeat inflicted on its army by Israel. The "Beirut war" will be the Syrian regime's "war of wars." No foreign faction is capable of confrontation any more. The Syrians will be compelled to leave Beirut and its southern suburb, either peacefully or by war. The confrontation that began on 14 March obstructs a political settlement for withdrawing the Syrian Army and imposes a battle between the national Army and the Syrian Army. This is what will happen after the Arab and international endeavors are exhausted.

The circles have said that the arrogance which hit the Syrian regime in the head was the cause of this regime's defeat by the Israelis 7 years ago. The same arrogance is clubbing this regime and will be the cause for this regime's defeat by the Lebanese Army this coming summer. The Syrian regime is preparing to turn Beirut and its suburb into scorched earth as the price for its withdrawal in defeat. The al-Dawrah fire has, despite the enormous losses in which it resulted, become a symbol of belittling everything for the major objective represented, in the initial and basic phase, in the Syrians' departure from West Beirut and the suburb and, in later phases, from the Lebanese territories. The later phases are U.S. and Israeli phases that constitute the "long-range task" that the Syrian regime is required to perform. This task begins with partitioning Lebanon, dividing it with Israel, and resettling the Palestinians. The "Beirut war" is the "beginning of the road" for profound developments at the Lebanese and regional levels, not the "end of the road" for Lebanon's events.

Muslims Against Their Stay

In a related development, an independent source in West Beirut has said that the Syrians are making a mistake by "viewing with disdain" General 'Awn's decision to oust them from Beirut and the suburb and that the Christians are "committing a sin" if they are taking [West Beirut's] words seriously. The source has also said that he has facts which encourage him to consider the Syrian regime "unconscious" as a result of its rigid insistence on staying in West Beirut and the suburb and of its reassurance by armed organizations whose thefts, smuggling, and slave-trade activities have devoided them of any serious content. The Syrian regime has pushed itself to the point of no return because it is a regime that has been afflicted by madness, has transported dictatorship from Syria to the Islamic areas, and has become unable to deal with reality. The Syrian regime has threatened the Islamic figures with death if they fail to demand that it stay in Lebanon and has come to view its threat as an Islamic position. If a referendum were held in West

Beirut under international supervision to find out the Muslims' true position, it would find that 90 percent of the Muslims want the Syrian Army to withdraw. The Syrian regime refuses to acknowledge this reality and insists on staying in West Beirut and the suburb. But it will depart from these areas after destruction, death, and displacement. At any rate, it is impossible for the Syrians to stay in Beirut and its suburb. What is sad is that the Syrian regime has "burned the stages" and blocked the path to a political settlement.

The independent source also said that the past years' experiences are enough to persuade the Christians that the European countries are moving within a narrow circle and that it is unreasonable for the Christians to be unaware of or to disregard the fact that the circle of broad movement is monopolized by the United States and that the U.S. position toward the Christians is a position derived from the strategic cooperation treaty with Israel. There are a few signs that encourage one to be optimistic regarding a U.S. decision supporting Syria's withdrawal from Beirut, but only after General 'Awn carries out some military action successfully. The United States will, before the Syrian regime does, crush the Christians' bones if General 'Awn's military action fails. The United States rejects any projection that leads to ousting the Syrian forces from Lebanon. It is necessary to remain prepared to "receive" a U.S. position that ties a complete Syrian and Israeli withdrawal to security arrangements in the south and to Israel's and the Syrian regime's "legitimate rights" in Lebanon.

The source further said that he has facts that make him consider it unlikely that any foreign side will be able to spare Beirut a battle which will culminate with driving out the Syrians at an exorbitant cost paid by its inhabitants. Lebanon's crisis will enter a fearful phase after the Syrian regime is dealt a nonfatal blow. The United States prevented Israel from dealing the Syrian regime a fatal blow in Lebanon in 1978. The recent years' developments have reaffirmed the U.S. decision to prevent Israel's dealing the Syrian regime a fatal blow. This decision is still valid. The most that the Americans will accept is to have the "Syrian regime rolled a little in the mud of defeat."

Responding to earlier European statements urging Israel to recognize the Palestinians' right, Israeli Defense Minister Yitzhak Rabin made the following comment: "It is enough for us to reach an understanding with the United States on an action plan. Europe may then say what it wishes because its words are of no significance." The U.S.-Israeli scheme calls for keeping the Syrian forces in Lebanon. The information on keeping these forces in Beirut is still unclear. In the Islamic part of the capital and in the southern suburb, the Syrian regime is waging the "battle of the final wish to stay" in these areas at any price. The al-Dawrah fire is the first offensive in this battle. The nature of the "battle of the final wish to stay"

in West Beirut and the suburb compels the Syrian regime to excess killing and destruction and makes it a must to keep the doors wide open for any suspect U.S. position.

Fear

The source has further said that the inhabitants of West Beirut are experiencing a fear which they did not experience during the Israeli invasion and that the cause of this fear is reports that the Syrian regime will withdraw its forces before the battle begins and will proceed to demolish Beirut on the heads of its inhabitants. The ordinary citizen of West Beirut is confident that the Syrians will perpetrate a massacre in West Beirut and will drown the population in a catastrophe under the guise of defending "Beirut's Arabism." Prime Minister al-Huss and the Islamic Meeting members are aware of this extreme fear, but can do nothing to alleviate it and have no information on Syrian plans. The fate of the Syrian presence in West Beirut is the terrifying issue raised in people's homes. The source said that the Syrians have redeployed a considerable number of armed members of the militias in the various quarters of West Beirut. This step has doubled the fear: fear of increased theft activity now and fear of battles in the quarters later. Since 22 February 1987, the Syrians have continued to support robbery and theft activities and the levying of protection money by the socialist and Amal fighters. Beirut's fear is that the Syrians will exploit the current situation as an occasion for large-scale transgression. The Beirutis are talking anew of the theft, looting, and burning activities perpetrated by the Socialist Party's Druze and by Amal's Shi'ites in February 1987.

The source said that the Syrian forces' departure from West Beirut and the southern suburb is indisputable, that the departure's exorbitant price is inevitable, that it is a foregone conclusion that the extremely serious consequences to the general situation will impose a new turn on the crisis since the 14 March turn, and that the Beirut battle may be the first "dusting" of the Lebanese formula.

LIBYA

Government Extends Negotiations With U.S. Oil Companies

45000166 London AL-DUSTUR in Arabic
26 Jun 89 p 38

[Text] The end of this month represents the final deadline for negotiations with the five American oil companies whose assets Libya has decided to freeze and whose installations it has decided to seize if the companies do not resume operations in Libya.

The five companies include: Conoco, Marathon Oil Company, W.R. Gracey Company, Occidental Petroleum Corporation, and Amerada Hess Corporation. The value of the frozen assets and installations is estimated at approximately \$2 billion.

It may be recalled that the American Administration announced in January that it may consider raising the economic embargo it had placed on Libya, but this announcement has not been followed by any active measures since that time. Observers have noticed a change in the Libyan posture in regard to this matter in that Mr 'Abdallah al-Badri, manager of the Libyan National Petroleum Company, on 13 June, indicated that Libya is prepared to partially extend the deadline for termination of the negotiations with the American companies.

One day prior to this statement, Colonel al-Qadhdhafi had characterized the Bush administration as one "which is wise and understands the profundities of international politics." He added that it was not possible that the Bush administration would commit the same mistakes committed by the Reagan administration, which al-Qadhdhafi characterized as "ignorant."

MOROCCO

Rail Transport Resumes With Algeria

45190087a Paris LE MONDE in French 14 Jun 89 p 3

[Text] After having been interrupted for 13 years, passenger railway service between Morocco and Algeria was resumed on 11 June. Rail transportation of freight between the two countries has been going on since September 1988, after diplomatic relations were normalized. On 9 June the Moroccan, Algerian, Tunisian, and Mauritanian ministers of transport inaugurated the new line on board the "train of fraternity and concord" that left from Tlemcen, Algeria, bound for Oujda, Morocco.

On 10 June in Algiers 10 representatives of each of the five parliaments of the Maghreb countries that have signed the treaty on the Union of the Arab Maghreb (UMA) participated in the first meeting of the Maghrebian Consultative Council, a preliminary model of the future Maghrebian parliament provided for in that treaty. It was signed in Marrakech in February 1989.

While a reconciliation is developing between Morocco and Algeria, the Polisario Front announced the release of 200 Moroccan prisoners on 17 June, as well as a second meeting between King Hassan II and a high-level Saharan delegation "before 22 June." The Polisario communique states that this gesture should create "an atmosphere propitious to the success of the mission" that Javier Perez de Cuellar, the secretary general of the United Nations, will carry out from 18 to 24 June in the different capitals of the countries of the region involved in the Western Saharan question.

Trade Resumes With Eastern Europe

45190087b Casablanca LE MATIN DU SAHARA
in French 30 May 89 p 2

[Text] Although trade between Morocco and the socialist countries of Eastern Europe began in the 1960's, it has slowed down and even declined since then, both in terms

of imports as well as exports. The overall volume of trade only amounted to \$502 million in 1988, compared to \$400 million in 1982, or an increase of about 25 percent. This situation has brought the trade between the Eastern European countries and Morocco from 10 percent of total Moroccan trade in 1982 down to 5.83 percent in 1988. This was stated on 29 May by Abdallah Azmani, Moroccan minister of commerce and industry.

Speaking before a national seminar on "The Expansion and the Diversification of Trade Between Morocco and the Socialist Countries of Eastern Europe," which opened in Rabat in the presence of Bensalem Smili, minister of ocean fisheries and merchant marine; Mohamed Fettah, minister of energy and mines; Kenneth Dadzie, secretary general of CNUCED [UNCTAD-United Nations Conference on Trade and Development]; and representatives of the socialist countries of Eastern Europe, the minister underlined the importance of this meeting. He said that it will make it possible to consider ways and means of permitting and promoting the development of trade between Morocco and the countries of Eastern Europe. He expressed pleasure at the broadening of our economic cooperation, which is no longer limited to the exchange of products but also extends to other economic sectors through the participation of the countries of Eastern Europe in the construction of major economic development projects: dams, ports, electricity generating stations, etc.

The minister explained that the signature last week of the protocol for financing by the USSR of the hydroelectric project at M'Jara has reached the point designated for giving a new spirit to our economic and trade cooperation. This large-scale project will have a definite impact on the economic and social development of Morocco. We will have more to say on this subject later.

OMAN

Public Authority for Water Resources Formed
44000553a Muscat *TIMES OF OMAN*
in English 11 May 89 p 7

[Text] Minister of the Environment, Sayyid Shabib Ibn-Taymur Al-Sa'id has said the formation of the Public Authority for Water Resources crowns Government efforts in safeguarding water resources was part of the country's strategy for all round development.

Sayyid Shabib said pollution in the Sultanate had not reached a dangerous level and foodstuffs were free of contamination. Steps are being taken to control pollution from factory effluents and sewage.

There were plans to train Omanis here and abroad in environmental protection.

SUDAN

EPLF Leader Discusses Negotiations, Regional Relations

45040387 London *AL-TADAMUN* in Arabic
12 Jun 89 pp 19-21

[Interview With Hamid Muhammad Hamad, Director of Eritrean Popular Liberation Front's Office in Khartoum, by Abu-Bakr al-Siddiq al-Sharif in Khartoum: "Field Tour in Country of One Million Problems; 'Forgotten' Revolution in Eritrea and Sudanese Changes"; date not given]

[Text] Khartoum—In Khartoum, AL-TADAMUN has had the following interview with Hamid Muhammad Hamad, director of the EPLF [Eritrean Popular Liberation Front] Office. The EPLF is the most powerful Eritrean faction and the one with the strongest presence in the general arena. It is the only organization confronting the Ethiopian war machine and inflicting defeats on it day after day, according to what most Sudanese believe:

Sudanese-Eritrean Relations

[AL-TADAMUN] The geohistorical facts, not to mention the political strategies, insist on tying the Eritrean issue and its developments to Sudan according to the Sudanese political developments. We wish to know your viewpoint on the (joint) issue?

[Hamad] It is true that Sudan represents the Eritrean revolution's strategic dimension by virtue of its geographic position and of numerous other considerations. Throughout numerous phases, Sudan has been well known for embracing the Eritrean revolution and supporting it politically at all levels. But there is a fact that must not be overlooked, namely that the successive Sudanese governments have offered nothing comparable with what Sudan, as a fraternal people, has offered. I believe that this is a result of the fact that these governments have offered the Sudanese people themselves nothing. Moreover, the oppressive regimes that ruled Sudan in succession for the longest period since independence represented, by all criteria, an element repressing the Eritrean revolution. In truth, revolution is indivisible and freedom is not confined to one country to the exclusion of another. Consequently, the Eritrean revolution has encountered its share of the repression to which the Sudanese people have been subjected. What I mean is that throughout the modern Sudanese history, the Eritrean revolution's sighs of relief have been tied to the Sudanese people's uprisings. When the October revolution erupted, Eritrea suffered its share of retrogression through this revolution. Under the shadow of Numayri's administration, the May regime dealt with Eritrea temperamentally and dealt with the Eritrean revolution within confined limits, trying to use this revolution as a pressuring card against Ethiopia. This is in addition to the strategies of numerous regional and international

forces which view our revolution as a threat to their security. Considering that Sudan is the Eritrean revolution's window to the world, all this has harmed the Eritrean revolution, its relations and its bond with the new Sudanese generations, and has undermined their concept of the revolution.

Eritrean Refugees

[AL-TADAMUN] I believe that all this [hardship] falls within the framework of support for the Eritrean revolution.

[Hamad] The Eritrean revolution has also suffered a tragedy at the hands of the Sudanese Government within other frameworks. Perhaps the most conspicuous indication of this tragedy is the vast numbers of Eritreans who have taken refuge in Sudan. We are truly convinced that the previous Sudanese governments did not give them refugee rights by organizing them in accordance with specific frameworks and that they used these refugees as an international bargaining and blackmail card.

What must be made clear is that the Eritrean revolution does not put all its wagers on Sudan. This is because it is a revolution which has its land and it is different from numerous other revolutions. This has enabled it to maintain its relatively independent decisionmaking.

Liberated Territories

[AL-TADAMUN] What is the size of the liberated territories?

[Hamad] The entire liberated area exceeds 85 percent Eritrea's total area. This liberated area is not landlocked. We control a good part of the Eritrean coastline. This has given the revolution the opportunity to move and to preserve its independent decisionmaking.

[AL-TADAMUN] This is insofar as Sudan is concerned. What about the other neighboring countries?

[Hamad] Generally, the Eritrean revolution is a part of the Horn of Africa and is directly affected by all the developments and changes in this region. The neighboring peoples have also embraced the Eritrean revolution to the same degree by which the Sudanese people have adopted it, thus providing the opportunity for establishing firm relations which have reflected themselves in political and moral support for the revolution, as well as in material support, though on a limited scale and at the popular level.

[AL-TADAMUN] While we are conducting this interview with you, four Eritrean factions are meeting with an Ethiopian delegation, through Sudanese mediation, to search for a way to settle the issue. We notice your absolute rejection of any negotiations of the kind, in addition to your refusal to coordinate with the other factions. Why?

[Hamad] The fact is that discussing this issue requires examining the various phases of the Eritrean revolution's development. By virtue of its various phases of development, we find that 27 years of the revolution's life spent in a ceaseless struggle under the shadow of international plotting, an international blackout and limited support—we find that these years have produced conditions which dictate a certain position, namely that the force which can implement its program in a manner that serves the Eritrean masses will have the chance to develop. As for the forces that manipulate these interests, they will vanish in accordance with the law of survival and development. Today, when we say the Eritrean revolution, we are speaking of the EPLF by virtue of its principled positions, its confrontation of the Ethiopian imperialism, and its presence on a land from which it sets forth [to carry its operations], not to mention its undertaking of the process of social change inside Eritrea.

[AL-TADAMUN] Does this mean that you do not acknowledge the presence of other factions?

[Hamad] There are other factions, but theirs is a limited presence in certain Arab capitals. No other faction is present inside the Eritrean arena. It is true that some factions were present in the arena. But this was in the past. However, these factions have, through confrontation and over time, reached the phase of disintegration. This has not happened as a result of the war but as a result of the actions of these factions which are, fundamentally, actions tied to their presence in Arab capitals.

[AL-TADAMUN] It is a fact that they were present [in the arena] at one time and that whatever the situation, they belong to the Eritrean people. Does [not] this justify the principle of coordination with them?

[Hamad] This question dictates another question, namely: Are these factions present in any form in the Eritrean struggle arena?

The truth is that these factions have no presence. The forces confronting the Ethiopian imperialism are the EPLF.

[AL-TADAMUN] The word 'front' means that certain forces, tendencies and, perhaps, factions have agreed to unite their organization and will. Does the EPLF proceed on the basis of this concept?

[Hamad] Our concept is nearly identical to this one, considering that the EPLF incorporates numerous allied segments which belong to the Eritrean society's various classes. These segments have united their organization and will to struggle for the country's independence and to make national gains.

Moral Support

[AL-TADAMUN] What are the dimensions of the Arab aid to the Eritrean revolution?

[Hamad] The truth is that Arab aid at present does not go beyond the limits of moral aid. In the past, there was material Arab aid. Because of numerous factors, this aid has diminished. Today, we fundamentally rely on ourselves both internally and externally. So, there is no Arab aid commensurate with the Eritrean arena's support for its revolution.

[AL-TADAMUN] Is the delivery of foreign aid to the revolution subjected to any harassment by the neighboring countries?

[Hamad] The Eritrean people's support for their revolution comes through our liberated coastline. I have already pointed out that we enjoy independent decision-making.

[AL-TADAMUN] Do you think it is possible to reach a just settlement with the Ethiopian regime?

[Hamad] We in the EPLF consider action along the paths of a peaceful solution one of our main fronts. We do not so much view these paths from a tactical or phased perspective as we view them, in all cases requiring a settlement, on the basis of our constant concept. In this regard, we have gone through numerous experiences with the Ethiopian regime and we have held numerous meetings as a result of international initiatives made by either neighboring countries or countries from outside the region. But the Ethiopian regime has a specific strategy insofar as peaceful dialogue is concerned. It raises the slogan of a peaceful settlement whenever it is in a weak position. What I mean is that to this regime, raising the slogan of a peaceful settlement is a tactical plan to enable the regime to gain time, regain its strength, and restore its army from collapse to launch concerted future campaigns. The best proof of this is the Ethiopian regime's starts and retreats on the Eritrean issue. It has become obvious that the Eritrean issue has become the [safety] valve absorbing the Ethiopian popular tide which has been demanding a just solution to our issue out of its appreciation of the Eritrean revolution's actual contribution to toppling Haile Selassie's regime. The current regime embraced the peaceful solution slogan until it was able to build its combat capability and then disavowed this slogan and launched the broadest war of annihilation against us. This forced us to withdraw from the vicinity of Asmara within the framework of the strategic withdrawal program and to establish ourselves in certain positions where we have confronted the war of annihilation and foiled its campaigns.

Because the Ethiopian military machine experienced weakness, the Ethiopian regime raised slogans calling for a peaceful solution. We sat with this regime for negotiation and became certain of its lack of credibility insofar as a peaceful solution is concerned.

The Ethiopian regime is experiencing the same weakness at present and it has been compelled to raise the peaceful solution slogan as a result of the fact that the Eritrean revolution has scored and continues to score great victories daily. The main victory is in the fact that after 27 years of confrontation, we have been able to prove to the world that the military oppression endeavors will not curtail the Eritrean masses' will and that the Eritrean rifle will stay as long as the Eritrean people live. The revolution has also proven that the growing Soviet support for Ethiopia and the Soviet Union's delivery of the most sophisticated weapons to Ethiopia will not end this revolution. Moreover, the revolution has made another gain, namely regaining the territories it had liberated in 1977. We are now present in the hills overlooking the cities of (Keren) and Asmara. We have thus confined the Ethiopian army to limited areas.

Moreover, the reaction to the Ethiopian Army's defeat at the political and economic levels and the world's current inclination to extinguish the centers of regional conflict have forced the Ethiopian regime to raise a cunning slogan in order to put its house in order, with the long-range goal of foiling the objective circumstance of the "peace offensive."

Pressure on Sudan

[AL-TADAMUN] How?

[Hamad] By manipulating the card with which it puts pressure on Sudan, namely the card embodied in the war between the south and the north. There is no doubt that all political factions and groups of the Sudanese people are wagering on the peace initiative concluded between the current government and Join Garang. Ethiopia believes that the opportunity is now ripe to put pressure on Sudan through this card to make it barter the Eritrean revolution for restoring peace to South Sudan.

[AL-TADAMUN] What about the current Eritrean-Ethiopian dialogue?

[Hamad] We believe that we are not a party to what is happening in Sudan currently and believe that what is happening does not serve the Eritrean cause, is not eligible to establish peace in the Horn of Africa, and will not contribute to solving the Eritrean issue because this issue will be solved only with the will of the Eritrean people and of their true representatives. What is happening now is no more than political mockery. The factions that have been sitting around the negotiation table with the Ethiopian delegation are factions that do not even have a presence in the Eritrean daily action arena and do not have the ability to read the Ethiopian regime's

tendencies correctly. By virtue of lacking the simplest elements of influencing the Eritrean decisionmaking, these factions cannot make any concessions.

The Ethiopian regime is aware of these facts. But now that its oppression machine has failed to put an end to the ongoing revolution, this regime believes that its only way out is to break the unity of the Eritrean people and soil through these factions. Our position on all this is to reaffirm our wish to seek a just peaceful settlement. We are prepared for any sincere steps adopted by international organizations.

Peaceful Solution

[AL-TADAMUN] Does this mean that you have a vision of the peaceful solution?

[Hamad] We have a plan embodied in giving our people the right to self-determination. The unobjective solutions that have accompanied the Eritrean revolution, especially the UN resolution which calls for tying or annexing Eritrea to Ethiopia coercively, are what touched off the problem. It is our opinion that the ideal solution can be achieved with self-determination through a general referendum.

[AL-TADAMUN] Sudan is currently undergoing the phase of trying to solve the southern problem through the peace initiative to which Ethiopia is considered a party. Do you think that the desired peace will be achieved at the expense of the Eritrean card?

[Hamad] The fact that must be stated is that Sudan is free to build its relations with the various regimes with which it wishes to build such relations. Sudan is also free to solve its problems with what it deems to be the proper means. But what we want to stress is that no force has the right to solve the Eritrean issue in isolation from the Eritrean people and their revolution.

[AL-TADAMUN] More than one observer believes that in terms of political tendencies, your organization is closest to the regime existing in Ethiopia currently and that, therefore, your position on negotiations provokes more than one question.

[Hamad] A firm fact must be underlined, namely that we have no set ideological tendencies for the Eritrean revolution. We are a national liberation revolution and we are supported by all the freedom-loving peoples and even governments, unless such governments hold a certain position toward the issue of the entire Eritrean people. From this starting point, Ethiopia is a colonist to us. This fact cannot be overlooked, unless within the framework of oneupmanship and empty prattle.

No Sectarian Conflict Among Us

[AL-TADAMUN] There are those who link the tribulation being faced by the Eritrean revolution to sectarian conflict.

[Hamad] What we stress is that the Eritrean revolution is the revolution of a people who have Christians, Muslims and other groups. This condition applies to all of the region's peoples. This projection which is reiterated in some capitals embodies, in our opinion, a faulty concept behind which stands the Ethiopian imperialism. Haile Selassie kept on saying that the Muslim Arab world wants to partition Ethiopia. The fact is that the Eritrean people have no such tendencies and that the Eritrean revolution has never raised religious slogans.

[AL-TADAMUN] Sometime ago, you captured a number Soviet military men, thus stirring numerous mediations. What has been done in connection with the prisoners?

[Hamad] It is true that we have captured some Soviets. They are under arrest now and are subject to the international laws concerning prisoners of war.

[AL-TADAMUN] What about negotiating to exchange them in accordance with the rules in force in this regard?

[Hamad] We wish to stress that it is true that we, as an Eritrean revolution, are weak and that our influence is limited. But we have deep-rooted traditions. The entire world is now angry and enraged because we have 3 Soviet prisoners whereas the Ethiopian suppression of our people, which has been going on for 27 years, has not received any attention. This, in our opinion, is regrettable.

International Detente

[AL-TADAMUN] In light of the current international detente, do you expect the emergence of an international initiative to extinguish the war? What is your assessment of the previous initiatives?

[Hamad] Numerous European initiatives, whether by states or by organizations, were proposed but did not see the light because the Ethiopian regime always rejects any serious initiative. As for the two superpowers, the United States is behind this war. It is the party which proposed linking Eritrea federally to Ethiopia. Moreover, the United States continued to support Haile Selassie's regime to its last days. Even now and despite the red hue of Mengistu Haile Miriam's regime, the United States has not ended its support for Ethiopia. Consequently, the U.S. view has, by virtue of the U.S. weight, influenced other international powers. As for the Soviets, their position is one of hostility to the Eritrean cause. Consequently, we do not expect the two superpowers to take any positive step vis-a-vis our people's just right.

[AL-TADAMUN] How do you interpret the disagreement between the Americans and the Soviets on all the hot spots in the world and their agreement on supporting Ethiopia in its war against you?

[Hamad] This position is, in our opinion, the result of each country's strategic vision at a certain phase or throughout a number of phases. This leads us to one fact, namely that all the declared contradictions between the U.S. and Soviet systems are no more than loose slogans exported to our world whereas the law that governs the two superpowers' relations is their joint interest at our expense. The simplest proof of this is that the two superpowers let the Iraq-Iran war go on for 8 years so as to drain the two countries' capabilities, especially the capabilities of Iraq as an influential force at the pan-Arab level. There are numerous other examples in this regard.

AL-RAYAH Follows Militia Battles in Kaduqli
45040372 Khartoum AL-RAYAH in Arabic
24 May 89 p 4

[Article by Muhammad Sayyid al-Mutayyib: "Story of Participation of Popular Defense Forces in Recent Battles Against Rebels in the Mountains"]

[Text] In the first of the series of reports we are preparing about increasing official and popular fervor and readiness to confront the rebels' movements, barbarian, racist activities, and repeated attempts to occupy areas of the South Kordofan mountains, we presented the text of AL-RAYAH's interview with the leaders of the Volcano Forces. Confronting the rebels, the forces launched more than 20 attacks high in the mountains between late March and mid-May and inflicted heavy losses upon the rebels. The defeated rebel bands scattered to many locations in mountain caves. They began mining roads and pursuing civilians in desperate attempts to hold on to a continued concentration in those caves, while awaiting the coming of autumn and the heavy rains that they believe will provide them with the right conditions for reintensifying their activities more effectively and posing a greater danger and threat to the official and popular steadfastness in opposing them again. We have also published AL-RAYAH's interview with the leader of the Central Reserve Police Forces and the leader of its bold assault squad that held out, despite small numbers and few weapons, against an attack by thousands of rebels armed with a variety of modern weapons. In the following report, we publish our interview with Citizen Ahmad 'Abdallah al-Kalas, leader of the Popular Defense Forces that participated with the People's Armed Forces in the battles against the rebels in South Kordofan.

Leader of Popular Defense Forces Speaks

Mr Ahmad 'Abdallah al-Kalas said, "Popular defense in the southern area of South Kordofan Province began as soon as the rebels entered the Umm Dorein area east of Kaduqli in July 1987. Since we sensed that the rebels were aiming at the Arab and Islamic presence, we had no

choice but to participate with the Armed Forces in defending ourselves and our religion from attack. At that time, the Popular Defense Forces that joined with the Armed Forces to participate in opposing the rebels numbered no more than 200 citizens. We went to the al-Hamrah area, halfway between Umm Dorein and Kaduqli, met with Major Ahmad Khamis Bakhit, and told him of our desire to fight with them against the rebels to defend country, honor, and land. We put ourselves under the command of Major Ahmad Khamis. No battles, however, took place, because the rebels withdrew from the area at that time. We therefore returned to Kaduqli and began to call upon people and explain the situation to them, so that they would be ready and prepared to join in confronting any further attack in which the rebels might attempt to reenter the region. The people were convinced and began to arm themselves on their own. When the rebels came this year, they found us in very good shape."

Details of Popular Forces' Participation in the Fighting

Mr Ahmad 'Abdallah al-Kalas went on to say, "When we learned that the rebels had reached the Fama area, southeast of the city of Kaduqli, late this March (Armed Forces casualties arrived at Kaduqli hospital), we went to Kaduqli garrison headquarters and told the army command that we had a force we wanted to bring to participate in the fighting. I myself and Brother Muhammad Tawur went ahead of the Popular Defense Forces and joined the Armed Forces in the al-Uhaymir area, east of Kaduqli. The next day, the Popular Defense Forces arrived, numbering 350. Their condition was excellent and their fighting spirit high. The next day we made plans to move into the Shat al-Safiyah area in accordance with instructions from the Armed Forces. We indeed went there, but we found no rebels, nor did we find them in the al-Tays area to which we went afterwards. Then a rebel grouping was confirmed in the Korongo 'Abdallah area, near Kaduqli on the southwest. We moved relying on experts who played a principal role in the great victory over the rebels in Korongo 'Abdallah. We moved via Hufayrat Kukayah, southwest, and came at them from the west. We set out about 5 am. By agreement, artillery was fired from Kaduqli to distract the enemy. This was done while we were moving. Then the Kaduqli artillery stopped, and the artillery of the Armed Forces that we were accompanying began firing from the west. The shelling of the enemy continued until the zero hour (9 am). At that moment, when the rebels realized that we had come upon them from an unexpected direction, they began a defensive plan. The nature of the terrain helped them, since they were separated from us by a depression filled with a growth of trees. The Popular Defense Forces were at that point standing in the front ranks, side by side with the Armed Forces. The depression was located directly in front of them, and rebel fire was raining down on us. At that point, we took a concentrated position to learn the range of the enemy's fire. Then we attacked suddenly and engaged the rebels

directly. The rebels retreated from their camp, and the Popular Defense Forces captured 17 Kalashnikov rifles, 1 Doktoriev gun, and 2 other guns."

Armed Forces Commander Praises Popular Defense Forces

Mr Ahmad 'Abdallah al-Kalas went on to say, "After the rebels retreated, the first step of the operation ended. After consolidation, the second step began. We moved into the al-Suq area, in the middle of the Korongo 'Abdallah mountains. The rebels, who were still concentrated in other fortified positions, made a strike. When we realized that we had come into an area open to the rebels, we decided to attack them directly. Four men were killed. After the battle at Korongo 'Abdallah, we withdrew again to the Hufayrat Kukayah area. There we received instructions to go to Kaduqli in order to move into other areas where the Armed Forces wanted to fill a gap. The return of the Popular Defense Forces to Kaduqli had the effect of greatly reassuring the inhabitants of the city, who felt that the operation carried out by the Popular Defense Forces was something to be proud of. The next day, we reached the al-Hamrah area, east of Kaduqli. We received information that the rebels were infiltrating into the al-Kueik area, which is also near Kaduqli. We reinforced the position there with forces from the popular defense. At the battle of al-Hamrah, where the rebels had gone after their defeat at Korongo 'Abdallah, the Popular Defense Forces also participated. This time, however, reverses took place, since the inhabitants of the al-Hamrah area were also involved in the battle, and things became confused. In any case, as soon as the strike began, the Popular Defense Forces immediately attacked the rebels and captured weapons—I don't know how many, because this time everything was haphazard, and I was in the force that headed toward al-Kueik. As soon as I heard news of the battle at al-Hamrah, I headed there. I arrived 2 hours later and found the forces ready to move to Kaduqli on instructions from the Armed Forces. The Armed Forces' operation commander submitted a report on the operations in which the Popular Defense Forces had participated with them. He praised our stand and said that the high fighting spirit showed by the Popular Defense Forces was what had supported him. We also received support from the local authorities and from the governor of the province. This is what has made us seek to complete the organization and training of the Popular Defense Forces, so that they can be a support for the Armed Forces in their fight against rebel movements and the activities of their defeated bands in the mountains of South Kordofan."

Rebels' Fighting Spirit Weak

About his observations of the rebels' fighting performance, Mr Ahmad 'Abdallah al-Kalas said, "In fact, we measure the enemy's bravery by the degree to which they hold on to their weapons. Through our direct contact with the rebels, we have noticed that the rebels' fighting

ability is weak. According to our view, 10 men should die for a rifle, and it be saved; however, with the rebels, what we have noticed is that they have been leaving their guns and fleeing. Thus, I do not think the rebels will ever hold out in direct battles. Instead, they rely on treachery, laying mines, and ambushes."

Ending his conversation, Mr al-Kalas said, "We have lived in this region, Arabs and Nuba, with great friendship between us. We used to travel from Kaduqli to the Umm Dorein area, where there is now a heavy rebel presence, confidently and without carrying any kind of weapons. There was good faith. Therefore, we think that what is happening now is the work of an intruder that came in like imported cargos. Indeed, our brothers, the Muslim Nuba, also have sensed that the rebels are going to target them. They have therefore come and amalgamated with us in the Popular Defense Forces. In the first organizational conference of the Popular Defense Forces, held on the 3d and 4th days of the Feast, representatives of the Nuba from the (Mabri) and (al-Shashat Zi'aduqli) areas participated. We were really surprised by the enthusiasm with which people approached this conference, despite the fact that the invitation for it went out only five days before it met. Thanks be to God, the conference went well and in a good spirit."

Al-Jazirah Farmers Refuse To Plant Next Season *45040369a Khartoum AL-MAYDAN in Arabic* *25 May 89 p 1*

[Article: "Season in al-Jazirah Faces Danger"]

[Text] Farmers of the al-Tabub and al-Rumaythab offices in the al-Jazirah and al-Manaqil Project are suffering an acute irrigation crisis. Irrigation canals in the area are unfit due to their not having been cleaned for 17 years—especially Hamzah, al-Tulayh, Hazawi, and Umm 'Ud canals and al-Tabub canal.

In a note to the secretary of the Union of al-Jazirah and al-Manaqil Farmers, farmers said that the canals would not contribute to the irrigation process. They, therefore, would not plant in the new season, since signs of the failure of the agricultural season were clear to them.

The farmers pointed to their repeated losses every season and to the government's insistence on levying the water tax on them, thus leading to a loss of morale on their part.

The farmers of al-Rumaythab say that they have not planted wheat for 5 years. Furthermore, half of the area watered by the Mijar al-Huwaywah, Umm Kamadu, al-Ruf, 'Abd-al-Baqi, 'Asir, and Sham'un canals was devoid of cotton plantings. They demanded that the Farmers' Union intervene, so that the problem that accompanied the last season would not recur.

In a related matter, Mr Muhyi-al-Din Muhammad Ahmad, vice president of the Union of al-Jazirah and al-Manaqil Farmers, mentioned that many notes concerning the irrigation problem had reached the union from Central, al-Musallamiyah, and al-Manaqil divisions. He said that they considered irrigation to be the fundamental problem in the project and that officials needed to make an effort to solve it, because farmers would stop planting cotton if the problem was not solved quickly.

He said that the problem will be greater next season because of the accumulation of silt and grasses. He added that the available dredgers would not cover the areas that had been designated for planting—440,000 feddans of cotton, 400,000 feddans of wheat, 300,000 feddans of sorghum, 200,000 feddans of beans, and 75,000 feddans of vegetables. Only 10 new dredgers had arrived; the rest of them would not arrive before next October.

In another development, a large number of members of the Union of Owners of Mechanized Agriculture Projects have threatened to stop planting in the coming season because of the government's failure to provide production inputs.

Mr Hasan Hamid, the president of the union, said that the situation was gloomy and required speedy government intervention. He explained that 35 percent of the past season's production of sorghum stood to be lost for various reasons, including lack of petroleum products, the high price of sacking, and lack of sufficient trucks for transportation.

Reporter Informally Surveys Monthly Salaries
45040369b Khartoum AL-MAYDAN in Arabic
26 May 89 p 6

[Article by Dr Babikr Ahmad Muhammad al-Amin:
"Cigarette Vendor's Income equals Agricultural Engineer's Income plus Veterinarian's Income"]

[Text] When I sat down for the shoeshine boy to polish my shoes, I was sure that I had been fully paid my salary, nothing lacking, with all its bonuses and allowances, and that it was in my pocket, just as I am paid at the end of every month in return for my work that I do for the government. I am a highly regarded employee; I have a file and a desk, like any other government employee. As the boy eagerly and energetically did his job, the question came into my mind: How much might the income of this boy be from his job shining shoes? I asked him the question directly.

After he finished, I paid him 1 pound for his work and left with a simple idea in my head—a comparison between the monthly income of a group of people

engaged in marginal jobs and another group, consisting of university graduates and government workers; for the shoe-shine boy's answer had surprised me. So I present the following to you.

First Group

This group included five marginal jobs that I took as examples for a very small-scale study to learn their average monthly income: shoe shiner, car washer, cigarette vendor, porter in an animal feed store, and banana vendor selling his wares in the main streets.

From the workers in these jobs, I chose five persons at random in various places in the capital and computed the average monthly income for each group.

1. Shoe shiners: The average number of shoes that one of them polishes is 40 at 1 pound per pair. Thus, his monthly income from them is 40 pairs of shoes times 1 pound times 26 days equals 1,040 pounds. He also repairs 3 pairs of shoes at 3 pounds a pair: 3 times 3 times 26 equals 234. Thus, his total monthly income comes to about 1,274 pounds. Each month, he buys 6 cans of polish (3 black, 3 brown) at 5 pounds a can: 5 times 6 equals 30 pounds. He buys brushes averaging 40 pounds. Thus, his total expenses per month are 30 plus 40 equals 70 pounds. His net income is 1,274 minus 70 equals 1,204 pounds.

2. Car washers: The average number of cars that one of them washes in a day is 10. However, there are two kinds of washing—full wash inside and out, for which one pays 10 pounds, and outside wash alone, for which one pays 5 pounds. If we consider this person as washing 5 cars of each kind, his daily income would be 5 cars times 5 pounds equals 25 pounds, plus 5 cars times 10 pounds equals 50 pounds. His total income would be 75 pounds. He buys soap for 5 pounds a day. Thus, his net daily income is 70 pounds, for a monthly income of 70 times 26 equals 1,820 pounds.

3. Cigarette vendors: You find numbers of cigarette vendors lined up along every main street in the capital and some other cities. On the average, one of them sells 1.5 cartons a day, amounting to 30 packs. A pack is sold for 10 pounds: 30 packs times 10 pounds equals 300 pounds. The cost of a pack is 8 pounds. (One should note that its legal selling price is 7.5 pounds, but this is the price assuming that the vendor buys from the black market, as they assert that they do.) Thus, the cost of 30 packs is 30 times 8 equals 240 pounds. His income is 300 minus 240 equals 60 pounds a day. Monthly income is 60 pounds times 26 days equals 1,560 pounds.

4. Porters in animal feed stores: This group works carrying feed sacks for a distance not exceeding three meters from inside the feed store into the car standing in

front of the store for 1 pound per sack. The average number of sacks that one of them carries in a day is 75. So the income of one of them comes to 75 times 26 days equals 1,950 pounds.

5. Banana vendors: One finds groups of them along the main streets displaying bags of bananas on the ground. They buy bananas at 4.5 pounds a kilo, divide them into bags each containing 1.5 kilos, and sell them for 10 pounds. Thus, the selling price for a kilo of bananas is 10 divided 1.5 equals 6.66 pounds. They buy between 100 and 150 kilos a day, 125 kilos on the average. So the vendor's total income is 125 kilos times 6.66 equals 835.5 pounds [as printed]. Costs are as follows. Cost of buying bananas: 125 times 4.5 equals 562.50. Price of plastic bags: 85 times .25 equals 21.25 pounds. Transportation cost: 50 pounds. Total costs: 633.75 pounds. Net income: 835.5 minus 633.75 equals 201.75 pounds. Monthly income: 202 times 26 equals 5,252 pounds.

Note: None of the above pays any taxes to the government. I considered each of them as having 1 day off a week, i.e., 4 days a month.

Second Group

On the other side, I take five university graduates as examples. I will not go into details of salary. I will confine myself to what each of them draws from the cashier's window, in addition to the retirement deduction.

1. Veterinarian (graduate of the Veterinary College): My example of a veterinarian has been working 10 years in the Ministry of Animal Wealth. Under the new salary structure, he now receives 824 pounds, with [figure omitted] kept for him as a pension.

2. Agricultural [engineer] (graduate of the Agricultural College): He receives 764 pounds, with a pension of 76 pounds kept for him.

3. Upper secondary school teacher (graduate of the College of Education).

4. Employee in the Ministry of Housing (graduate of the Faculty of Economics): He receives from the cashier's window the sum of 533 pounds (72 pounds as pension kept for him).

5. Physician (graduate of the College of Medicine): This salary is the one he was drawing before the recent (as yet unimplemented) adjustment in physicians' salaries. A physician who has worked 5 years, as of the last salary he has drawn, is paid 732 pounds, with 76 pounds kept for him as pension.

I content myself with this presentation without comment.

TUNISIA

Preparation of Eighth Development Plan Under Way

45190085c Tunis LE RENOUVEAU
in French 13 May 89 p 8

[Article by Youssef Hechmi: "Consultations to Begin in Governorates Next Month"]

[Text] 1989 will essentially be marked by the start of work on the Eighth Development Plan. Several departments and planning agencies are currently busy gathering the facts and means needed to finalize the guidelines for the plan, based on data fundamental for the future.

When the current plan ends, Tunisia will be moving straight into the last decade of this century; but it must find solutions that will enable it to better negotiate the turn into the 21st century.

To this end, a new strategy has been adopted by the government, with a view to finalizing the guidelines announced by President Ben Ali in his message to the nation on 7 November 1988: the regions will be given the initiative to formulate and manage their development activities.

An Objective: Synchronization Between Regional and Sectoral Planning

This is the idea behind setting up regional development councils. This is also the idea behind preparing the Eighth Plan for the first time on a regional level. Regions actually participated in national consultations in the past, particularly in preparing the Seventh Plan. But coordination between national and regional consultations was defective, since the results of the regional meetings, which took place at the same time as the national preparations, had no impact on the final design of the plan.

Because of this anachronism, neither the national nor the sectoral consultations took into account the regions' "grievances."

To better synchronize the various operations and to give more time for work on the final design, the preparation of the next plan will begin this year, or 2 and 1/2 years before the end of the present five-year plan. This work will begin in the governorates and not in the regions (north, central south...) as has been done before.

A working group on methodology set up by the General Regional Development Commission [CGDR], in cooperation with other departments of the Ministry of Supply and Housing, has for the past month and a half been studying appropriate procedures and deciding on the major lines of this operation.

This group is trying to draw lessons from past experiences and establish solid bases for a regional contribution, giving priority to the need to adapt proposed projects and objectives to the country's actual needs and the potential of each region. In other words, they are attempting to prevent these consultations from ending up in a "list of grievances," with no future....

We believe that this first phase will begin in June 1989 and probably last for the entire summer. It will then be replaced in October 1989 by a second stage involving an analysis of the current situation, highlighting unexploited potentials and seeking ways to overcome obstacles encountered by sectors in the governorates. Since it is not opportune to evaluate the results of the Seventh Plan midway through it, this phase will make it possible to identify the axis on which the development program proposed by each governorate should be built.

The CGDR: Attorney and Messenger...

The concomitant evaluation of the regional and national results of the Seventh Plan will not begin before March 1990.

The CGDR will have the important task of following through on all these stages, of synthesizing and carefully considering all the various proposals. This interaction should result in a coherent plan in which national priorities, regional aspiration, and sectoral needs are interwoven.

To achieve this objective, the government has adopted a series of measures to strengthen the competent regional organs and is tackling the obstacles to development at their very core.

Current activities also show the government's desire to make further progress towards administrative decentralization. The recently established regional development councils (CRD) have the power to prepare regional programs, give their opinions on national projects, and participate directly in managing the affairs of the region. These new powers show the responsibility of the authorities and active forces in the region in planning and managing the future. The governorates will be supported in their new responsibilities by the CGDR, which is setting up a regional antenna in each major town.

INS Survey: Timely Data for Evaluation

While some departments are gathering the raw material needed for the national consultation at the same time as they are updating their data, the National Statistical Institute (INS) has been conducting a survey of nearly 100,000 households since 22 March 1989, for data on population, housing conditions, and employment.

The purpose of this survey, interrupted during the month of Ramadan but to be resumed at the end of May according to a reliable source, is to present information

for evaluation to the designers of the Plan. This will be the first time that they will have recent data on the working population and unemployment.

We were told that this survey will focus on the characteristics of the unstructured sector, jobs in the homes, women's work and their participation in employment, and the migration of individuals and families. The work in the field will be done between now and July, and the preliminary results of the survey will be ready before the end of the year.

Effect of Drought on Trade Figures Noted

45190084a Tunis LE RENOUVEAU

in French 11 May 89 pp 6-7

[Article by Y. Hechmi: "The Other Effect of the Drought"]

[Text] As one might have expected, the provisional balance sheet for foreign trade during the first quarter of 1989 was marked by the effects of the drought, which has gone into its second consecutive year. Actually, thanks to the grain surplus from the preceding season, it was possible in 1988 to take advantage of that asset to maintain the overall flow of trade in proportions favorable to our economy.

Compared with results for the first quarter of 1988, provisional figures for the first 3 months of the year show a drop of 4 percent in the rate of cover, about 62.8 percent compared with 66.8 percent for the same period of last year.

The reasons for the foreseeable deficit essentially have to do with substantial increases in imports of food products, raw materials and semi-finished goods, the area that suffered the most from the drought.

Indeed, imports of food products went up 59 percent, accounting for 15 percent of the overall increase in imports, while those of raw materials and semifinished products alone make up over 36 percent of the total growth in imports in terms of volume. Such imports will compensate for the grain shortage or be comprised of plant products to improve feed.

The main sources of satisfaction are found in the "consumer goods" group, whose deficit is growing smaller and smaller (-6.2 million dinars compared with -14 million previously), and the energy balance in particular, whose surplus practically doubled. Other sectors are doing fairly well.

It is important to draw the proper lessons from such data so that the effects of the drought will not affect the will to inject real dynamism into economic activity.

Based on provisional results, Tunisia's commercial trade during the first quarter of 1989 totaled 1,000,400,000 dinars for imports compared with 628.2 million for exports, generating a trade deficit of 372.2 million dinars and a rate of cover of 62.8 percent.

These results show major increases compared with the level of trade during the first quarter of 1988, increases amounting (in current prices) to 42.3 percent for imports and 33.6 percent for exports. The trade balance was substantially affected because the deficit rose by some 60 percent and the rate of cover lost 4 points. These variations are summed up in the following table:

Variations in the Trade Balance

Millions of Dinars	1st Quarter		Variation	
	1988	1989	Millions of Dinars	%
Imports	702.9	1,000.4	+297.5	+42.3
Exports	470.1	628.2	+158.1	+33.6
Deficit	232.8	372.2	+139.4	+59.9
Rate of Cover	66.8%	62.8%	-4.0	-

In addition, the evolution at constant 1988 prices shows smaller increases than at current prices, to wit, up 26 percent for imports and 16 percent for exports.

Trade Except for Energy

Millions of Dinars	1st Quarter		% Variation
	1988	1989	
Imports	658.6	916.3	+39.1%
Exports	397.7	489.7	+23.1%
Balance	-260.9	-426.6	+63.5%
Rate of Cover	60.4%	53.4%	-7.0%

Considered without energy, trade in other products showed increases of 39.1 percent for imports and 23.1 percent for exports. As shown by the results above, the trade deficit except for energy rose by 63.5 percent and the rate of cover dropped 7 percent if one compares the first two quarters of 1988 and 1989.

While exports stagnated, imports of food products rose by 59 percent, thus accounting for 15 percent of the overall increase in imports (up 45 million dinars compared with 297.5 million). This inflated the deficit in the food balance by 182.6 percent (69.5 million dinars compared with 24.6 million previously).

It should be noted that the increase in quantity of food imports is on the whole 31 percent, which shows that some 28 percent of the increase in value is due to the combined effect of the rise in prices and the dollar.

Products involved are grain, sugar, vegetable oils, potatoes, legumes (beans and chickpeas), and beef. With respect to hard and soft wheat, mainly imported to make up for the shortage caused by the drought (in 1987 and 1988), import prices reached much higher levels than was previously the case (the United States, the main producer, was hit by drought): an increase of 44 percent for hard wheat and 93.6 percent for soft wheat. Nor did a similar increase spare other food products such as sugar (up 40 percent), vegetable oils (up 20 percent), or legumes (up 20 percent).

As for exports, the stagnation observed in the food products group mainly stems from olive oil, which was practically not exported during the first quarter of 1989, compared with over 3,000 tons and 4.5 million dinars during the first quarter of 1988. Other declining products also contribute to the stagnation, such as dates and canned tomatoes. However, fishing products, particularly octopus, partly remedied the situation thanks to much larger export volumes.

Energy

The energy balance clearly improved compared with the first quarter of 1988, with the surplus nearly doubling, going from 28 million to 54.8 million dinars between the first two quarters of 1988 and 1989. Imports of energy products rose by some 90 percent and exports over 91 percent.

The increase in exports is due to the combined effect of an increase in quantity of 50 percent (1,100,200 tons compared with 731,600 tons) and a price increase of 29.5 percent (15.4 dinars a barrel compared with 12 previously). One should also note the resumption of exports of virgin naphtha (2.5 million dinars) and an increase in those of refined products. Concerning energy imports, Algerian gas rose sharply (up 80 percent in value and 84 percent in quantity), as did refined products. Imports of crude oil resumed (178,000 tons for 19.4 million dinars).

Summary of Variations by Food Product Group

Millions of dinars	1st Quarter		% Variation
	1988	1989	
Imports	76.1	121.1	+59.1%
Exports	51.5	51.6	0
Balance	-24.6	-69.5	+182.5

Raw Materials and Semi-Finished Products

Trade in raw materials and semifinished products rose between the two quarters in question. A 41-percent increase in imports and a 19.2-percent rise in exports brought about an increase in the trade deficit for this group amounting to some 68 percent.

It should be noted that the increase in imports for this group (108 million dinars) by itself comprises over 36 percent of the total increase in imports and that, in terms of volume, they rose by 20 percent.

Among the numerous components of the group, one notes plant products to be used for livestock feed and imported in larger quantities to make up for the damage done by the drought. Those products include:

Barley, imports of which doubled in quantity (44,000 tons compared with 22.6 million) and nearly quadrupled in value (6 million dinars compared with 1.6 million).

Corn, rising 11 percent in quantity (82,600 tons compared with 74,000), while value nearly doubled (11.6 million dinars compared with 6.1 million).

Soybean cakes, the quantity of which rose by 35 percent (40,700 tons compared with 30,100 tons) for values that more than doubled (12.8 million dinars compared with 6.1 million).

Imports of other raw materials and semifinished products were also up compared with their level during the first quarter of 1988.

In addition, among the few items that declined was fertilizer (5,200 tons compared with 40,900 tons during the first quarter of 1988 for .7 million and .3 million dinars, respectively) and insecticides (200 tons compared with 500 tons for 1 million and 3 million dinars).

As in the case of imports, exports of raw materials and semifinished products reveal increases that are generally higher in value than quantity for several products.

Product	Quantity	Value
Natural phosphates	+5%	+30%
Salts	+38%	+36%
Fluorspar	+61%	+113%
Cement	+0.4%	+33%
STPP	+80%	+183%
Ammonites	+20%	+40%
DAP	+18%	+39%
Shoelaces	+24%	+15%
Electric wire and cable	+56%	+97%

In addition, one notices fairly substantial declines in exports of other products such as alfa pulp, phosphoric acid, triple superphosphate, MAP, fluorides, raw tobacco, and polyethylene for greenhouses.

The reductions, particularly those of phosphate derivatives, have greatly reduced the growth in exports from the group, even causing a drop in their overall volume of some 3 percent (1,392,000,000 tons compared with 1,428,000,000 tons for the first quarter of 1988).

Capital Goods

The value of capital goods exceeded by 44.4 percent the level for the first quarter of 1988, equivalent to 27.8 percent at constant prices. The goods involved in the increase were mainly pumps, laboratory ovens and heating equipment, machinery for food industries, printing machines, machinery for the textile industry, sewing machines, data processing equipment, crushers and cement mixers, aviation equipment, various measuring apparatuses, and so on.

As the above results demonstrate, the "consumer goods" group shows an ever smaller deficit: -6.2 million dinars compared with -14 million previously, the result of a greater increase in exports, amounting to 56.8 million dinars or 31.6 percent, compared with 18.9 million dinars or 25.2 percent for imports.

At constant prices, the opposite occurred with exports, which increased by 20.5 percent compared with 35.1 percent for imports.

In imports, increases are mainly due to textile products, pharmaceuticals, automobiles, and spare parts.

For exports, the increase is due to the different products of the textile sector, particularly bluejeans or other pants, work clothes, men's shirts, blouses, and cotton cloth.

Conclusion

Given the amount of increases in trade (+297 million dinars for imports and +158 million for exports) between the first quarters of 1988 and 1989, it would be useful to see the share of the different groups of products in these increases.

Imports: A little over a third of the increase (108 million dinars or 36.4 percent) comes from raw materials and semifinished products and 55.6 million dinars worth or 18.7 percent from capital goods. Food products made up 45 million dinars or 15 percent of the total increase in imports.

Exports: A little over three-quarters of the increase is due to the energy group (66 million dinars or 41.8 percent) and consumer goods (56.8 million dinars or 35.9 percent).

Raw materials and semifinished products made up 17.7 percent, while this time food products remained practically outside of the increase in exports.

Consumer Goods

In Millions of Dinars	1st Quarter 1988	1st Quarter 1989	% Variation
Imports	193.7	242.6	+25.2
Exports	179.6	236.4	+31.6
Balance	-14.1	-6.2	-56.0

Groups	Increase in Imports		Increase in Exports	
	Millions of Dinars	In %	Millions of Dinars	In %
Food	45.0	15.1	0.1	0.1
Energy	39.8	13.4	66.1	41.8
Raw material, semifinished product	108.2	36.4	27.9	17.6
Equipment	55.6	18.7	7.2	4.6
Consumer goods	48.9	16.4	56.8	35.9
Total Increase	297.5	100	158.1	100

Source: National Institute of Statistics

New Training Programs Required To Ease Unemployment

45190084b Tunis *LE RENOUVEAU MAGAZINE*
in French 14 May 89 pp 5-6

[Interview with Taoufik Baccar by Chedly Hamrouni; date and place not given]

[Text] Everyone knows that the unemployment problem is the Tunisian Government's major concern. At any rate, one cannot speak about the phenomenon without referring to the whole range of measures drawn up by the government to halt the progress of the scourge. We therefore spoke with Taoufik Baccar, head of a large institution set up by the government whose essential task consists of absorbing the maximum number of unemployed young people.

In Tunisia in general, unemployment is one of the main concerns of the government and young people themselves. The phenomenon actually affects several segments of the total active population. In the active age group from 18 to 24, there are 136,000 job seekers, plus another 50,000 unemployed young people, raising the total to over 186,000. This is explained by the fact that there is no synchronization of the actual situation and what the labor law provides.

Actually, our labor code authorizes the employment of young people starting at age 15, but in practice, the administration, the country's main source of employment, hires only those over 18. This explains the increase in the youth unemployment rate because it includes

those under 18. The 136,000 unemployed between the ages of 18 and 24 constitute 51 percent of the total number of unemployed in the group from 18 to 59.

When one looks at the system of education, one can see that of the 136,000 unemployed, 77,000 have an elementary education or have never attended school, 24,000 come from the secondary professional training schools, 32,000 from regular high schools, 4,700 from higher education to the age of 29 and 1,700 are over the age of 24.

However, it is necessary to distinguish between the unemployed seeking their first jobs and those who have lost their jobs (seasonal layoffs).

We have conducted a study with the Office of Statistics covering 1,000 households to shed even more light on the real unemployment situation in Tunisia, particularly as it affects young people.

Estimates for 1988 (advance figures date from 1987, the last statistics) speak of 5,600 job seekers with university diplomas, 3,700 graduate technicians, and 11,500 with technical certificates. Given this growing pressure, it is essential to design an efficient system capable of absorbing the maximum number of young people coming from the education system or other areas.

Social Treatment of Unemployment: Necessity While Awaiting the Impact of Economic Growth

Given this situation, the government has undertaken a whole series of measures aimed at economic and social treatment of the phenomenon.

Economic treatment of unemployment is multifaceted: encouraging and orienting investment, strengthening the economic performance of the system of production, and so on.

The country's economic growth must be on the order of 7 percent annually in order to absorb unemployment. If it is under 6 percent, it cannot generate enough jobs to meet demand.

Nevertheless, these economic measures, which are related to both supply and demand, have an impact only in medium- and long-range terms.

While awaiting their impact and the attainment of objectives, the unemployment rate must be maintained at its current level. This concern led to the establishment of a whole arsenal of social treatment measures, particularly systems of job-training contracts that can be summed up in the encouragement of enterprises to train and hire young people in exchange for fiscal and other incentives.

The system was made more flexible in 1988, making it possible to increase the number of beneficiaries: 2,700 in 1988 compared with 1,400 in 1987.

A second system was created at the end of 1987 and is called the system of introduction to professional life. It is designed for those with university diplomas. The system is different from the first in that the government is totally responsible for the trainee's expenses. Over 2,800 young people have already enjoyed the benefits of the system, which has handled applications of doctors, pharmacists, veterinarians, and so on.

Upon completion of the training programs, which last about a year, we observed that a large number of young people have been hired by the productive sectors, unlike those placed in the administrative sector and government. This caused us to decide to reduce the placement of job seekers in the administrative sector starting in 1989, increasing their insertion into the productive sector.

Employment and Training Problem

The third solution, introduction to professional life, has been extended to professional secondary schools. Some 500 young people have completed the program. We wanted more applicants, but encountered a number of difficulties, particularly the fact that the program was only open to those with final diplomas, which meant that the system's range was too narrow. We have many job offers and many applications unmet. This is explained by the fact that the training profile or job seeker's specialty does not always correspond to the enterprises' expressed needs. Furthermore, the scholarship provided was deemed insufficient by many young people. However, the system is very new and now being revised.

There is also a system to help the trades. This method of encouragement and placement has undergone numerous modifications and its field has been opened to doctors. The figure evolved substantially in 1988: 1,400 projects with 5,600 jobs compared with 560 in 1977 and only 3,800 jobs. Results for the first quarter of 1989: 240 projects compared with 160 in 1988.

There is consequently a diversification of measures aimed at job seekers appearing at the Office.

Training: Qualitative and Quantitative Challenge

The problem of employment is connected with that of training.

With respect to training, the office is in the process of initiating its intervention. The training system faces qualitative and quantitative challenges in meeting applications for insertion.

An entire strategy of reform is being set up to permit the diversification and strengthening of action, especially in sectors where needs are great, particularly mechanics and cold storage.

Several training centers have been opened in order to promote training in keeping with enterprise needs.

Orientation and Information: Indispensable Complement to Employment and Training Setup

Contrary to what is commonly believed, the information system is not highly developed in our country. The circulation of information concerning jobs available throughout the country is poor. This has led us to institute a data processing operation now being tested at the Sousse office. We are setting up regional professional orientation centers equipped with audio-visual equipment and batteries of tests. We shall begin with five regional centers: Tunis, Menzel Bourguiba, Sfax, Gabes and Sousse, in order to expand the experiment later to the rest of our network of offices.

However, the essential point is to await economic growth compatible with current demographic growth, intensify our population policy, and review the entire professional system, for we are but one operator among many others.

**Development Program for Post,
Telecommunications Sector Proposed**
*45190084c Tunis LE RENOUVEAU
in French 10 May 89 p 5*

[Article by Youssef Hechmi]

[Text] Along with its effort to provide a more favorable legal framework for investment, the government has ceaselessly worked to revive economic activity. Basically, it has a coherent, continuous program aimed at providing conditions essential to the development effort.

Everywhere in the world, the tendency is now to promote the service sector. It is said that investment is blind. It naturally obeys specific interests, but mainly a simple logic: At a time when everything is bought and sold on the basis of constantly varying factors, no economic enterprise is viable in the absence of fast and efficient means of communication.

The interest that the president has shown in the evolution of the sector proceeds from a concern for giving telecommunications a fundamental role in the process of reorganizing the national economy. Within this context, one must refer to the establishment of a separate department responsible for applying the government's policy in this very precise field. The report presented Monday by Sadok Rabah, new minister of communications, to President Ben Ali comes only days after the meeting of an interministerial council devoted to an examination of the situation in the sector.

The report concerns a program of modernization and development of equipment and the improvement of services in the postal and telecommunications field.

Telephone: 100,000 Applications

The urgent need no longer needs to be demonstrated here. After the expansion of tourism, the outrageous encouragement of exports, and Tunisia's selection as headquarters for several international political and financial institutions, the establishment of a better communication system throughout the country has grown essential.

The need is all the greater because demand is growing. By way of example, the departments in question managed in 1988 to respond to only 32,500 applications for telephones, although there are more than 100,000 on file. Given the current situation, one apparently has to wait an average of 3 years to have a telephone if one is to get one at all.

The government's program of action today was mainly defined by the Seventh Plan, which has a double objective: one qualitative and the other quantitative.

Fax

It is first of all a matter of improving the quality of services offered to subscribers (troubleshooting, congestion, smooth flow of traffic, followup of customer complaints), achieving better overall efficiency of the system so as to minimize busy signals and avoid overloading. Along this same line, the following will be sought: improvements in and rationalization of management of the system by compressing operating and maintenance costs; adoption of overall planning for the system in keeping with demand and the needs of the different sectors; improved telephone density; and the introduction of new services such as the transmission of computer data and fax.

Further down the line, planned development will include increasing the number of subscribers from 217,000 in 1986, the eve of the Seventh Plan, to 420,000 by 1991, meaning the addition of 203,000 new telephone lines. The objective is to improve the country's telephone density, which is far below European levels but comparable to developing nations. It is deemed respectable. From 3.04 telephones for every 100 persons, it should rise to 4.9 by plan's end.

In addition to expanding the existing International Center and the capacity of the underwater cable linking Tunisia with France, plans include the laying of a new underwater line linking Tunisia to Italy. The connection would be provided by a highly efficient medium: fiber optics.

Other types of communication will also be developed, such as expansion of the existing telex system from the current 4,200 to 7,400 lines by 1991 and the introduction of a national data transmission system.

Transfer of Technology

The Ministry of Communications emphasizes that this development and modernization program, which will require credits totaling 286 million dinars, will be carried out in a spirit of cooperation with foreign firms and within a framework of partnership providing a transfer of technology and offering Tunisian technicians the possibility of being trained and mastering state-of-the-art technologies.

Developments in Banking Sector Detailed

45190085a Tunis *LE RENOUVEAU*
in French 13 May 89 p 7

[Article by Houcine Ben Achour: "Innovations in the Banking System"]

[Text] Yesterday all observers were asking the same burning question: What was going to happen during the meeting of the National Credit Council (CNC) chaired by Hedi Baccouche?

Since its April 1987 meeting, a lot of water has flowed over the dam. The banking and financial system has undergone remarkable changes after the disappointments it experienced before the structural adjustment plan was implemented.

A veritable policy to liberalize the sector was initiated, and yet the CNC has never given its opinion on any measure of importance introduced since that date.

Were they told to remain silent? This would appear to be the case, although there were some comments made.

What role could the CNC, in fact, play once the entire Tunisian financial system was put under the sole control of the Central Bank (BCT)?

With the commercial and development banks acting only as intermediaries in granting credit through the prior refinancing agreement, the CNC has in actual fact become a registration agency. Where it once participated a priori, it is now absent. In any event, its opinions came very late.

The liberalization and relative autonomy granted to banks has broken the vicious circle of immobility and as a result has given back to the CNC its original dimension, in accordance with the letter and spirit of the law establishing it in 1967.

Are we therefore, in these circumstances, talking about the rehabilitation of the CNC? This would be jumping to conclusions, since we do not know whether the semiannual meetings will resume as scheduled. Time will surely tell.

In any event, yesterday's meeting enabled progress to be made, and quite a number of issues were raised. The agenda was expected to be changed at the last minute in view of the importance of the proposed topics. Nothing of the sort happened.

The monetary and credit situation in 1988 and during the first quarter of 1989 was reviewed. According to some sources, it would appear that the sector has been performing relatively well. Banks have improved their positions, although a few of them have recorded a slight downward trend.

In this connection, and this was part of an item on the agenda, a review of the status of financing of the agricultural sector was very timely. Whether premonition was involved or there was reason to anticipate something, in any event the surprise visit of President Ben Ali on Thursday to the government parcels granted to technicians in Beja governorate revealed certain problems, particularly involving the so-called complementary credits, which were granted to the promoter and which several banks are no longer paying despite the strong cases presented. And this is only one example among many, such as delays in granting credits with the usual negative consequences. When we know that these problems are affecting a vital sector of our economy, they are automatically amplified.

The third item on the agenda also had to do with agriculture: the merger of the National Bank of Tunisia (BNT) and the National Agricultural Development Bank (BNDA). This idea has been kicking around in banking circles for a long time already. Now it will become a reality by June 1989. One thing is certain in any case, and that is that this merger will have obvious advantages.

This merger will make it possible to decentralize the offices and agencies of the BNT. It is obvious that farmers and agricultural banks will have closer ties. The impact of this operation should be felt immediately.

Another item on the agenda dealt with changing the CNEL [expansion unknown] into the Housing Bank [Banque de l'Habitat-BDH]. Here it was primarily a matter of getting around a legal problem of procedure. In fact, any measure concerning the organization of the banking system is supposed to have the prior approval of the CNC. This is not the case with the CNEL-BDH. There was, therefore, an agreement in principle until the CNC could give its approval, which was done yesterday. Legally, therefore, it can now be said that the CNEL has become the Housing Bank.

The last item taken up during the meeting had to do with the future. Under this item, the establishment of new offshore banks was discussed. Two projects appear to be on the verge of being approved: one for a bank with Qatari capital, and the other for a commercial bank, City Bank. The latter one is a real breakthrough. For the first time, Tunisia will have a foreign commercial bank.

This is all the more important as this is one of the most powerful banks in the world. Already operating in Tunisia as an offshore bank, City Bank is involved in commercial operations through its deposit and credit operations. This is a very positive prelude for the Tunisian banking and financial system.

What Is the CNC?

Established by law in 1967, the National Credit Council (CNC) is an advisory agency grouping together the following ministries, institutions, and national organizations: the Ministry of Planning and Finance, the Ministry of National Economy, the Central Bank of Tunisia, the UGTT [General Union of Tunisian Workers], the UTICA [expansion unknown], the UNA [expansion unknown], and the APB [Professional Banking Association]. The CNC will, in principle, convene two meetings a year, at which subjects of direct or indirect interest to the sector will be discussed and examined.

Its approval is required every time a bill is submitted regarding the general organization of banking and credit operations.

The council is presided over by the finance minister—currently Mohamed Ghannouchi—and the governor of the Central Bank, Ismail Khelil, serves as vice-president.

Increased Use of Gas Energy Encouraged
45190085b Tunis LE RENOUVEAU
in French 13 May 89 p 7

[Article by Amel Zaibi: "Lower Electric Bills?"]

[Text] Resolute and determined, the heads of the Tunisian Electricity and Gas Company [STEG] are not stinting on their recommendations. "Natural gas costs much less than any other energy resource." Despite everything,

Tunisians remain reluctant to use this source of energy that is likely to save them as much as 50 percent or more of their annual energy costs.

These facts were presented yesterday by the heads of STEG at a meeting they organized for the written press. The message to be transmitted was clear and simple: "Tunisian citizens must be made aware of the savings they can realize from using natural gas, primarily for heating," Amor Jbalia, the gas director at STEG, pointed out. Mr Jbalia went on to say that heating by natural gas can compete with any alternative source of energy. And for good reason.

Comparative studies conducted by STEG's directors to find ways of reducing the energy bill came up with the following results. If natural gas were to replace fuel oil, the annual cost of energy consumption would be reduced by 55 percent. If it were used in place of blue gas, which a number of citizens mistakenly believes is cheaper, the energy bill would go down by 23 percent. Moreover, by using natural gas instead of bottled liquid gas (GPL), the consumer would save 31 percent, and there would be a 20 percent savings for the national economy.

These statistics could not be more eloquent, but many people are unaware of them. It is surely a case of misinformation.

STEG did not act sooner because it felt that the Tunisian consumer needed to be more aware of the problem. Today, several findings—and not always pleasant ones—have impelled the services concerned to act. "We have found," Mr Jbalia explained, "that some of STEG's customers—households, hotels, factories, and restaurants—have the basic infrastructure adapted to natural gas, but they are still using fuel oil or another more expensive source of energy for their heat." It is true that it is usually hard to change people's habits, at least in the beginning, but in this case it seems, according to Mr Jbalia, that the switch is extremely simple and amounts to changing one part of the boiler, namely the burner, which costs only 5 cents in Tunisian currency. Wouldn't you say that it is worth it?

Referring to the hotel sector, the heads of the Gas Company are surprised at the reluctance of some hotel keepers who are still shying away from the imperatives of the times: economizing and quality service. "There are many hotels that are hooked up to the natural gas lines and that are still not using gas in their facilities, even though their energy bills would probably be reduced

considerably. The decrease in annual energy costs could be as much as 12,000 dinars for first-class hotels, and would be no less than 300 dinars for pensions," according to Mrs Bargaoui, head of the planning division, who made a point of stressing the improved quality of the service and of mentioning the problems caused by the equipment operating with fuel oil or blue gas.

Referring to the progress made in extending natural gas lines to areas of the country under development, the situation seems encouraging. Grand Tunis, Cap-Bon, the Sahel, and interior regions of the country are areas included in the plan. Some of the work has been completed, some is under way, and other work is still under study. Currently the operating network stops at Msaken, but work is continuing. Ksar-Hellal and Moknine will have their gas lines by the end of this year.

The concerns of the Gas Directorate are as varied as they are troubling.

Although the hotel business and industry are at the top of the directorate's list of services, requests are beyond expectations.

The developments built by the Agence Fonciere de l'Habitat (AFH) require major work to introduce natural gas. This work could entail reconstruction of the existing infrastructure.

"Many citizens say they want to be hooked up to the circuit but they 'forget' to pay the bill once the work is done," Mr Mchareg, head of Ariana district, says. Mr Mchareg explains that in Ariana (Medina and Superieure), there are 7,000 electricity meters and only 1,420 gas meters, which shows that people are not really aware of this energy source.

Moreover, between the end of 1988 and the beginning of 1989, 21 requests for a hook-up were sent in by 1,800 subscribers, but only 60 of them paid the 70-dinar deposit for the work. "The upshot is that we are waiting to be paid before responding to their request."

In our present times of energy shortages—involving all sources of energy—it is very wise to diversify energy resources and to try to balance out their use. To this end, the mobilization of new energy sources, available in considerable quantities (one billion cubic meters of natural gas are consumed annually in Tunisia), takes on vital importance and is a timely measure to increase our country's energy reserves.

AFGHANISTAN

Iran-Based Mujahidin Leader Interviewed
BK1306124589 Islamabad THE MUSLIM in English
1 Jun 89 p 8

[By Tariq]

[Text] Rawalpindi, May 31—Karim Khalili, leader of the Iran-based Afghan mujahidin does not oppose a political settlement of the Afghanistan problem, but says, "our people have no hope that they can achieve their two major goals—ouster of Dr. Najibullah's regime and establishment of an Islamic government—through peaceful means."

"There is no other way except the continuation of 'jihad' to realise these goals. Afghans are peace-loving people," he said in an exclusive interview with THE MUSLIM at his hotel suite on Tuesday [30 May].

Khalili who has been here for the past week for talks with the Afghan Interim Government leaders, did not seem satisfied with the progress made on the inclusion of his alliance's representatives. He was highly critical of the viability and acceptability of the interim set-up.

"I don't see that this government has the capability to make itself broad-based and comprehensive, because most of the people of Afghanistan and the mujahidin commanders do not support [it]," he said.

"Some brothers in the interim government," he said, "told us that they are working for holding elections inside Afghanistan within the next three months. This means that they feel that the representative character of the interim set-up is imperfect and incomplete." Khalili demanded reconstitution of the interim government. Explaining he said there was no need to convene a consultative council on the pattern of "shura" which created the interim set-up. Instead the representatives of the Peshawar-based, Iran-based mujahidin, commanders and other jihad parties should meet for the purpose.

But, the mujahidin leader was not prepared to include any representative of the Kabul regime in the proposed or present interim set-up. "We don't want anybody to monopolise the process. We hope we will reach a lasting agreement and make a representative interim government," he said.

He conceded that the present set-up would not become absolutely representative and broad-based even after the inclusion of his alliance, though it may look somewhat better than its existing character. "When I emphasise the need for a comprehensive interim government, I don't mean it should include representatives of the Kabul regime," he clarified.

Khalili felt that Dr. Najibullah's government had survived even after the withdrawal of the Soviet troops mainly because of the disharmony between the mujahidin groups. Secondly, winter had hampered potentially fatal blows on the regime. Another reason he gave for the prolongation of the Kabul government was the formation of an "incomprehensive interim government."

The mujahidin leader did not predict when Dr. Najibullah's government would fall, but said it would go soon after the disharmony among the mujahidin groups ended.

"Are you going back to Tehran disappointed or satisfied with your talks with the interim government leaders?" he was asked. He replied, "a mujahid [holy warrior] is never disappointed." But he said: "The talks here do not culminate in a complete failure. We saw some positive change in the attitude of the Peshawar-based leaders."

Khalili said the alliances had reached an agreement which included five points. These were (1) continuation of Jihad until the fall of Kabul regime, (2) creation of coordination and cooperation among mujahidin of the two alliances, (3) continuation of talks on the future of Afghanistan, (4) condemnation of Loya Jirgah called recently by Dr. Najibullah and (5) formation of a six-member commission to liaise between the leaders of the two alliances.

He emphatically said that the commission had no powers to mediate between the two alliances, but it would simply communicate the point of view of leaders of one alliance to the other.

"We are hopeful," he said, "that our brothers here will change their stand. All mujahidin faced a lot of difficulties after the consultative council held a session in Islamabad."

Khalili said the Iran-based mujahidin agreed to send a delegation to Pakistan under his chairmanship only after two top leaders of the interim government separately visited Tehran and insisted, "we should come here for further talks. We were hopeful that an agreement would be reached between us this time, but it did not come true," he said.

He said: "We held five rounds of talks in a friendly and cordial atmosphere. We exchanged views on the future of Afghanistan. We discussed the number of ministries and the 'quality' of portfolios to be given to the Iran-based mujahidin in the present interim government."

Khalili is expected to leave for Tehran on Friday.

INDIA

Opposition Party Leaders Interviewed on Pending Elections

BJP Leader Advani, Part I

46001495 Calcutta *THE TELEGRAPH* in English
3 May 89 p 6

[Interview with BJP [Bharatiya Janata Party] leader L. K. Advani by Manini Chatterjee]

[Excerpts] [Question] Do you think the 1989 elections will be different from the previous elections insofar as there is no single issue which can create a "wave" condition?

[Answer] If the situation continues to be what it is today, the predominant issue would be the nature, conduct and performance of the Rajiv government in the past four-and-a-half to five years, particularly so because this is a government which aroused high hopes when it assumed office. In a way, if it is a normal election of this kind, it would be better for the country because it would mean establishment of accountability. After all in every election, one principal issue ought to be how the incumbent government has fared and performed. If this had been the issue in 1984 and the Congress had fought the elections under Mrs Gandhi, the result would have been entirely different.

[Question] Do you think she would have lost?

[Answer] She might have lost. But the Congress certainly would not have got such a huge majority and the Lok Sabha would have been a more fair reflection of the various strands of public opinion in the country. If that happens in 1989, it would be for the better of the country.

[Question] But you don't think a situation can develop that would create a wave?

[Answer] There are still six to seven months to go. But the manner in which the Rajiv government has been trying to react to the Thakkar Commission episode seems to suggest that they think that they can revive the mood—which is deceiving themselves. In 1984, reference to Mrs Gandhi's assassination provoked sympathy. Today, reference to Mrs Gandhi's assassination against the backdrop of the Thakkar Commission, evokes suspicions, not sympathy.

[Question] Do you think the Thakkar Commission report can become a major issue?

[Answer] No, I do not see it as a major issue by itself. But I do view it as one more example providing this government's incompetence, ineptitude, its tendency to be secretive even in issues of public importance, its distrust of open government... I view it as that.

[Question] What policies of the Rajiv government are you most against and would like to see reversed?

[Answer] This is a question which could be precisely answered in the case of Mrs Gandhi because there were certain attitudes and policies which were definable. In Rajiv Gandhi's case, our biggest criticism of him is that he has no policy, he has no direction. In Mrs Gandhi's case, my criticism would have been: hers is a wrong direction; in his case, my criticism is he has no direction, he has no perspective. Take for instance Punjab; over the last four years he has been oscillating between a strong armed policy and a kid glove approach. No one can be sure what he is going to do. He can surrender at any time and at the same time he can be absolutely obtuse and think that only physical force is the answer and show no statesmanship of any kind.

[Question] But is the BJP's opposition to this government an opposition to Rajiv Gandhi personally or to the Congress culture or both?

[Answer] To both. I would say that under him the weaknesses and shortcomings of Congress culture have become aggravated and the situation in the country has worsened because of lack of direction, lack of any commitment to any attitudes or values.

[Question] Would you prefer the Congress culture shorn of Rajiv Gandhi?

[Answer] I have a very poor opinion of Congress culture itself and the weaknesses that you see in the Opposition today are part of the Congress culture. Therefore, I am not enamoured of the Congress at all. [passage omitted]

[Question] What, according to you, ails the Opposition?

[Answer] One big factor that ails the Opposition is the Congress culture.

[Question] How do you define this culture?

[Answer] I need not. Because it has changed after Independence. At one time, before Independence, those who were in the Congress regarded politics as an instrument for service of society. During the last four decades of Independence, gradually things have been deteriorating and now it has become a pure power game—personal aggrandisement, who is at the top and who gets a greater share of the loaves and fishes of office. To some extent it is inevitable in politics. But when this becomes a principal and sole criteria of conduct, then the consequences are grave. [passage omitted]

[Question] Even if the Opposition wins, there doesn't appear to be any single party alternative to the Congress(I)....

[Answer] As of today, speaking in the month of April 1989, I see very clearly the Congress being reduced to a minority but I see no single party being able to form a majority or even a near majority. It has to be a coalition. What would be the nature of the coalition, I cannot say today.

[Question] But given the emphasis on a strong Centre and the question of national unity, if the Opposition parties go to the people and state very clearly that they will form a coalition government, won't they be facing a handicap? Coalition governments have this image of being unstable and the Congress(I) can play on that card.

[Answer] The Congress is bound to play on that card but there are examples...there was a time when even in the states coalitions were considered unstable but we have stable coalitions in the states. My own conviction is that in the Janata government of 1977 had started and functioned as an honest coalition instead of a pseudo single party government, it might have endured longer. Its performance was quite all right but it lacked enduring capacity because the norms that govern inter-party relations in a coalition did not apply, because it was not regarded as a coalition. It was regarded as a single party government and the fact is that it was not.

[Question] But Opposition parties today have such varying ideologies. ON what common platform can they form a coalition?

[Answer] If there is to be a coalition government, there has to be a minimum common agreed programme. That agreed programme would be in the field of economy, foreign affairs, political values, Centre-state relations.

[Question] But given the differences today, isn't it too much to ask for?

[Answer] No, I don't think it is too much to ask for.

[Question] And you think it can be a stable government?

[Answer] It can be...

[Question] And the BJP would like to be part of this coalition?

[Answer] The question hasn't really arisen before us and we have not discussed it in our party. We will have to discuss it before September when we finalise our approach. But at the moment, the decision taken by our party is that we will fight the elections on the basis of our own manifesto and conceiving the situation that no single party gets the majority in the Parliament likely to emerge in 1990. The BJP hopes to play the role of a stabilising nucleus, with or without power.

[Question] So you are hopeful that you will have a fair amount of seats to exercise this influence?

[Answer] Yes, I am hopeful.

[Question] And you hope to gain this with or without an alliance with the rest of the Opposition?

[Answer] We broadly envisage a seat adjustment on the basis of reciprocity.

[Question] Has the possibility of an alliance been ruled out?

[Answer] Not ruled out as such but by and large others have formed an alliance, the National Front, in which the communists are not there, in which my party is not there. So today there are three principal groups in the elections and, therefore, there is likely to be seat adjustments with the National Front.

BJM Leader Advani, Part II

46001495 Calcutta THE TELEGRAPH in English
4 May 89 p 8

[Part II of interview with BJP [Bharatiya Janata Party] Leader L. K. Advani by Manini Chatterjee]

[Excerpts] [Question] How do you view the campaign which was initially started by the Left and has become a major issue now, that communalism is the biggest danger and the BJP is a communal party?

[Answer] I see a definite purpose in this. I believe that a section of the Marxist party for the last couple of years has not been very happy that the Congress party is on the way out and the government which is likely to replace it is not going to be a communist dominated government. It is likely to be more akin to the Janata government of 1977. Now, this prospect does not enthuse them. The mood of the people is so anti-Congress, that they cannot say that between these two alternatives, the Congress is better. Therefore, they have devised a way of helping the Congress by drawing red herrings of this kind. [passage omitted]

[Question] But do you think communalism is an issue today?

[Answer] Yes, I do think it is an issue. I do think that the situation that has developed in the country after four decades calls for basic thinking as to where we have gone wrong. After all, there is a country which opted for a secular Constitution at a time when Hindu-Muslim relations were at their worst. Pakistan declared itself an Islamic state and even then we said in this country there shall be no discrimination between one citizen and another on the basis of religion. I think we did the right thing and there was not one word from any quarter that this is wrong, that we should not do it. We did the right thing because theocracy, as I have repeatedly said, is alien to our tradition and culture. No one reacted then.

After four decades, there are reactions today. Why? My party's analysis is that we should adhere to the Constitution in letter and spirit. No discrimination, no favouritism, all should be equal before the law and if there is a premium put on minorityism, you are weakening the national fabric and you are also hurting the minorities. I call it more a problem of minorityism and pseudo secularism which manifests itself in the form of communalism.

[Question] But don't you think in the past few years, the sense of Hindu identity has increased among a growing section of the people?

[Answer] Because of this, it's a reaction to minorityism, a reaction to a wrong interpretation to secularism. Otherwise, there would have been no such feeling.

[Question] Take this Ramjanmabhoomi-Babri Masjid dispute—why has it become an issue today?

[Answer] Yes, I do think it is an issue. I do think that the situation that has developed in the country after four decades calls for basic thinking as to where we have gone wrong. After all, here is a country which opted for a secular Constitution at a time when Hindu-Muslim relations were at their worst. Pakistan declared itself an Islamic state and even then we said in this country there shall be no discrimination between one citizen and another on the basis of religion. I think we did the right thing and there was not one word from any quarter that this is wrong, that we should not do it. We did the right thing because theocracy, as I have repeatedly said, is alien to our tradition and culture. No one reacted then.

After four decades, there are reactions today. Why? My party's analysis is that we should adhere to the Constitution in letter and spirit. No discrimination, no favouritism, all should be equal before the law and if there is a premium put on minorityism, you are weakening the national fabric and you are also hurting the minorities. I call it more a problem of minorityism and pseudo secularism which manifests itself in the form of communalism.

[Question] But don't you think in the past few years, the sense of Hindu identity has increased among a growing section of the people?

[Answer] Because of this, it's a reaction to minorityism, a reaction to a wrong interpretation to secularism. Otherwise, there would have been no such feeling.

[Question] Take this Ramjanmabhoomi-Babri Masjid dispute—why has it become an issue today?

[Answer] If this had been taken up four decades earlier, there would have been on reaction even from the Muslims. Take the case of the Somnath Temple. People forget that the Somnath Temple was reconstructed by a decision of Nehru's Cabinet. Nobody protested at that

time. It was supposed to be a natural thing. There was a mosque there, built by Aurangzeb but no one set up an Aurangzebi Masjid Committee.

[Question] But in this particular case, do you think it has communalised the situation at least in UP in a great deal?

[Answer] Now that the issue has become live, I would say that we must understand that appeasement of any section is not going to pay. This (Ramjanmabhoomi temple) has become a symbol of that.

[Question] But as a political party what stand will you take since several people including V.P. Singh have urged the government to refer the dispute to a special Bench of the high court?

[Answer] For what?

[Question] To take a decision on the dispute.

[Answer] It's hardly a dispute. Now that it has become a symbol of pseudo secularism and appeasement of the minorities, the BJP has taken a clear stand. (That is the birthplace of Lord Rama and should be a temple) but we are not going to make it an (electoral) issue.

[Question] But if this becomes an issue in the elections in the north....

[Answer] We have our stand.

[Question] And if this alienates the minorities and makes them go back to the Congress....

[Answer] I am convinced that the minorities in the country, who, like the rest of the people are disillusioned with the government, would like a change but would not like to vote for the Opposition unless they are convinced that the Opposition is going to win. [passage omitted]

[Question] But the BJP has become more strident now, insisting as it is, on the scrapping of Article 370 and the Minorities Commission....

[Answer] These are the permanent positions of our party. And we are not talking of the Minorities Commission being scrapped, we are saying that it should be substituted by a human rights commission. And this commission can take into account discrimination against any group—ethnic, linguistic, religious—whether of the minority or majority. It's such a fair proposition and people did not know that this was a recommendation made by Justice Beg. It's not the BJP's recommendation. The BJP's view is that by setting up a purely minorities commission, your approach is electoral. My approach is human. My approach is to have a machinery that takes cognisance of discrimination. Today, an ironic Hindu in Jammu and Kashmir is in a very bad shape after the recent events which have been engineered by Pakistan

and anti-national elements. But the victim is Hindu. And the Minorities Commission cannot take it up. Is it not an ironic situation. [passage omitted]

[Question] Would you agree that an escalation in majority communalism i.e. a majority suffering from a minority complex can result in fascism?

[Answer] Everyone, whether it was the Congress under Pandit Nehru or the communists under E.M.S. Namboodiripad have been responsible for the revival of the Muslim League and the Muslim League ideology even after Independence. For reasons of political expediency, they were guilty of this. And in both cases, they tried to rationalise their approach by saying that communalism can be only of the majority. Lately, the communists have slightly changed since they broke with the Muslim League in Kerala. Now they say that in case of the minority communalism is bad, but in case of the majority it is very, very dangerous because it can convert to fascism. I regard this as a specious rationalisation of a purely political strategy. And in the implementation of this strategy, both the Congress and the Communist Party have done great damage to the fabric of national unity.

[Question] But you discount the danger of majority communalism totally?

[Answer] In Hindu society parochialism and narrowness springs more from a caste awareness rather than from the awareness that they are Hindus.

[Question] but is that changing?

[Answer] It is changing only to the extent that it is a reaction to this kind of thing (minorityism). Otherwise not. [Passage omitted]

[Question] With the slow disintegration of the centrist forces in the country, do you hope to provide the single party alternative to the Congress(I) in future?

[Answer] We are moving in that direction but I am more concerned about the stability and system of the party system. My own view is that in a country as vast as India in which levels of political development are so varied, there can't be a two-party system. What should be aimed at therefore is a stable multi-party system. Many of the problems today arise out of this conception that a two-party system is essential.

Janata Party Leader Shahabuddin
46001495 Calcutta *THE TELEGRAPH* in English
25 Apr 89 p 7

[Interview with Janata Party leader Syed Shahabuddin by Sankarshan Thakur]

[Excerpts] [Question] What are the essential factors by which you are going to judge the quality of the future government?

[Answer] Well, it goes without saying that we would like to have a government which, irrespective of its political composition, is true to the constitutional commitments of making Indian once again a functioning democracy, bring a sense of confidence about the future course of evolution of Indian society around secular ideals and which rises above partisan considerations to provide the rule of law without fear or favour. Many of us today have a feeling that India is drifting either towards a fascist order or anarchy and I hope that the next elections are fought on this question. [passage omitted]

[Question] So you totally rule out partnership with the BJP [Bharatiya Janata Party] or its participation in a future government....

[Answer] There is no question on this. The BJP has to be kept out at all costs because in any kind of partnership, they are going to have the upper hand because of the communal situation in the country. If the Janata Dal shakes hands with the BJP, they are doomed. In any case, they cannot hope to have the votes of either the Muslim community or any other religious minority or even of a great chunk of the Scheduled Castes. In my view the salvation of the polity today lies in building a consensus against Hindu chauvinism. We have to all understand that Hindu chauvinism is not a remedy to our problems. Even if by some magic Muslims disappear from the face of India, still Hindu Rashtra does not provide a solution to the country's economic, social and political problems. If we accept that the secular foundation of our Constitution is the only viable way, then the first priority must be to marginalise the chauvinist forces. In the name of the future of this country, in the name of the survival of India, these divisive forces must be isolated.

[Question] But do you see such a consensus building, a bulwark against religious chauvinism?

[Answer] I do see some good trends now. I find that the Left has taken a categorical stand on this. I know that the Left appears to be weak in many parts of the country but I believe the Left has at least five percent of the votes anywhere. Therefore, if secular forces come out into the open and begin talking in terms of the long-term objectives in Indian society, the structure of Hindu Rashtra, which stands on very brittle foundations, will crumble. Their entire campaign has been built on the basis that Hindus are under threat. How can 85 percent of the population be under threat? They say Muslims are being appeased. How? Even if the Muslims are allowed unrestricted freedom in regard to their personal law, that does not become a communal question. And if the people are made to realise that all these communal games are really being played by communal interests in order to maintain the status quo, which means injustice, inequality and inhumanity, and that is a way of silencing the real socioeconomic demands of people, the atmosphere can be changed for the better. It can be done even by a limited group of secular people. The atmosphere can be radically changed tomorrow if the ruling party decides

its course of action and uses all the power at its command, including the mass media, to educate the masses and to prick this balloon of Hindu Rashtravaad.

[Question] So your contention is that communalism is the main issue today and, therefore, should be the yardstick for any future government....

[Answer] To my mind, it is above everything else today because it is no longer just Hindu communalism. It has assumed a chauvinist dimension. Today it thinks that its time has come. Its moment in history has arrived. There is just one more jump to power. And if they succeed, we shall have a fascist state, not democratic state. Our first priority should be to combat this communal polarisation and this chauvinist upsurge. I have been warning about it for a long time. I had written two articles about this way back in 1980. I talked about the building Hindu wave and today I think that the secular forces with the support of the Left are still in a position to combat this threat.

[Question] But in specific political terms, who are you counting among the secular forces?

[Answer] My calculations are totally different. This idea that a one-to-one fight is necessary to defeat the Congress(I) is the product of a diseased mind. Basically, this means anti-Congressism taken to the extreme. Even with the limited objective of defeating the Congress(I) in mind, it is better to identify your friends and enemies. If, for instance, the Janata Dal in alliance with the leftists can develop the confidence, it can beard the lion in its own den. Even in places like Madhya Pradesh and Rajasthan, it can give a stiff fight to the Congress(I) without the BJP's support. But it must develop that confidence. In Karnataka the Janata Party fought with the BJP in 1981 and the BJP got 18 seats. In the next elections we deliberately kept the BJP out and they just got two seats. [Passage omitted]

[Question] What is more important for you—to defeat the Congress(I) or to defeat religious fundamentalism?

[Answer] For any Indian today who has some vision of the future, the greatest threat comes from rising chauvinism. Therefore, it must be fought. But that does not necessarily mean that the Congress(I) should be supported across the board. To the extent I can command the votes, I will advise that wherever there is a direct contest between the Congress(I) and the Janata Dal, vote Janata Dal. But if there is a direct fight between the Congress(I) and the BJP, vote Congress (I). The question of supporting the BJP does not arise. In my thinking, perhaps nobody will emerge with a clear majority after the next election, so it is only a question of a few numbers....

[Question] In a hung Parliament, which side would you support?

[Answer] It is very difficult to say that because there will be so many little pieces to join. But one would like any future government to start resolving some of the basic questions. Do something about Jammu and Kashmir, it is going out of our hands. I do not want to sound like a prophet of doom but the developing situation in Jammu and Kashmir may overtake the entire political process in this country. The government should try to bring about reconciliation with the Sikh community. Why are they alienated? The government has to come to terms with the tribal upsurge all over the country. It has to tell the minorities what is their legitimate place. It has to reestablish the majesty of law. To me, sending a rocket into space or launching a missile or sending expeditions to Antarctica are not the priorities of the nation. The 21st century will come whether we want it or not. The real priorities of the nation are different and I would like to see the government address these priorities.

[Question] What about corruption?

[Answer] Well, I must say that nobody is tackling the real issues. Nobody talks about real issues apart from a few academicians and journalists and a few people on the fringe of politics like me. People seem more concerned about Bofors and Thakkar and HDW and whatnot. They must have their own way of gauging the public mood but to my mind, all of us have become accomplices in running down the system and institutions. And to that extent we are all playing Rajiv Gandhi's game, even the Opposition is playing Rajiv Gandhi's game. We are reducing everything to person. Look at Rajiv Gandhi's speech in Parliament which virtually says that Indira is not only India, Indira is democracy, Indira is secularism, Indira is socialism. In the meantime, all institutions that Nehru so painstakingly built up are being denigrated and demolished. And the Opposition has been trapped into it, into this demolition. My point is: why have we forgotten that the basic thing is that everybody's minimum needs should be met. That should be the basic objective of the state. Why have we forgotten that the primary concept of a state is to maintain a social order? Why have we forgotten that with the back-drop of Indian diversities, the first task is to maintain an environment of confidence in which all social groups think that they have got a stake in the future. The Bofors issue might have catapulted Mr V. P. Singh into the national lime-light but I have always believed that even this larger issue of corruption in high places is finally not going to be the deciding factor.

[Question] Why?

[Answer] Because, in my view, Indian society, from the highest to the lowest, has accepted corruption as a way of life. Everybody wants a special place for his son, "an entrance through the back door," priority at a railway counter. And people are prepared to pay for it. Yes, if we

can prove that Rajiv Gandhi himself is the man at the end of the tunnel in the Bofors deal, then corruption is an issue because these people are social symbols. But not otherwise.

CPI-M General Secretary Namboodiripad
46001495 Calcutta *THE TELEGRAPH in English*
20 Apr 89 p 6

[Interview with E. M. S. Namboodiripad, CPI(M) [Communist Party of India-Marxist] general secretary, by Manini Chatterjee]

[Excerpt] [Question] What kind of government would you like to see after the general elections?

[Answer] We are working to bring about a government which will strengthen the foreign policy of peace and nonalignment, reverse the internal socioeconomic policies in the interest of the toiling millions, and the steady move towards authoritarianism and fight casteism, communalism and other divisive forces.

[Question] Are you hopeful that an alternative bourgeois government will follow better policies than the Congress(I)?

[Answer] There is a fair possibility that those non-Left Opposition parties which are considered "centrist" will be prepared to agree on a programme along the lines indicated in the answer to the first question.

[Question] Since the CPI(M) does not plan to be part of a coalition government at the Centre, how do you hope to influence the policies of the centrist Opposition parties?

[Answer] The CPI(M) has not yet decided on the question of participation in the government. The main point is that whether we participate or not, we shall be independent as a party and together with other Left parties campaign among the people with a view to making the government pursue policies indicated in the answer to the first question.

[Question] What do you think will be the major issue in these elections?

[Answer] The main issues which we will be focussing on in the election campaign are defence of democracy and progressive socio-economic policies internally and an anti-imperialist, nonaligned foreign policy.

[Question] Do you think the Thakkar Commission report will be a major issue in the elections?

[Answer] That Thakkar Commission report is of course important and will form one of the issues in the election campaign. It, however, will not take precedence over other vital questions like defence of democracy, national unity and pro-working people's socio-economic policies.

[Question] Won't communalism be a major issue?

[Answer] I have said national unity. That covers (the battle against) communalism.

[Question] How can you say that there is a fair possibility of the non-Left Opposition parties joining your campaign when many of them are still talking about all-in Opposition unity that includes the BJP [Bharatiya Janata Party]?

[Answer] They are changing. They are in the process of change. Today, they are not in the same position as they were a year ago and there is every possibility that six months hence they may not be in the same position as they are today.

[Question] But since the BJP is also trying to "expose the Left's game" to the rest of the Opposition, what are your hopes based on?

[Answer] After all, V. P. Singh has come out very definitely against the BJP line on such issues as Minorities Commission, Article 370, the Bari-Masjid issue. On all these issues, he has taken a line that is opposed to that of the BJP.

[Question] But essentially, how do you see the bourgeois Opposition parties as different from the Congress(I)?

[Answer] They are opposed to the Congress(I)'s drive towards authoritarianism.

[Question] But in case there is a hung Parliament after elections and no single party gets a clear majority....

[Answer] I am not for speculation. You see, my calculation is that if the centrist parties take a forthright stand, there will be a clear majority for them in alliance with us.

[Question] Defeating both the Congress and the BJP?

[Answer] Yes.

[Question] But when you have raised communalism as the major issue, don't you think there is a danger of a consolidation of the Hindu vote behind the BJP?

[Answer] You see, Hindus include a large number of those who carry forward the traditions of the anti-imperialist freedom movement which includes secularism.

[Question] But then why do you fear that the BJP is becoming stronger?

[Answer] If the centrist Opposition parties are weak in the struggle against such issues as the Ramjanmabhoomi-Babri Masjid, then the BJP can take advantage of it. On the other hand, they, and we of the Left joining together and mobilising those Congressmen who are

rapidly getting disillusioned with Rajiv Gandhi, if we all jointly run a campaign the BJP can be isolated. The BJP is not such a big force but it will become a big force unless it is stopped.

[Question] So you think that the mass of Indian people are naturally inclined towards secularism and not a religious identity....

[Answer] Yes, provided there is a united force of secular unity.

[Question] Do you think that so far the Congress under Nehru was playing that role (of safeguarding secularism)?

[Answer] No. Please read by book on Nehru.

[Question] But why do you think the BJP has become a danger now and not in the past 40 years?

[Answer] Because the Congress is disintegrating and the BJP is trying to take advantage of the disillusionment of the people with the Congress. That is why it is very, very important that we of the Left and these centrist Opposition parties join together and run a forthright campaign.

[Question] But that means you are saying that the Congress was secular at one stage.

[Answer] The Congress basically was secular but after Independence and in the process of election politics, it gradually started compromising.

[Question] And now it is in the last stage of secularism?

[Answer] Don't say last stage. I did not say that. They are in the process of compromise. Compromise with this communal force here, with that communal force there....

[Question] But then the bourgeois Opposition parties can also do the same?

[Answer] You see, in all these parties including the Congress, a big struggle is going on. We bank upon that. Parties are not just the leaders at the top, but leaders at the top together with the masses. So we are trying to get the masses and as many leaders as possible.

[Question] Why do you think the Left today is in a better position to influence politics than 10 years ago?

[Answer] Because, increasingly large number of peoples in all Opposition parties and inside the Congress are getting more and or disillusioned of the policies pursued by their leadership.

[Question] But 10 years ago, wasn't the Left doing the same thing?

[Answer] No, no, no. Ten years ago the BJP had not become so discredited.

[Question] But in 1977, the CPI(M) was not taken into account at all and now it is.

[Answer] But still the Left, on a nationwide scale, is very weak.

[Question] Why?

[Answer] I am not a research organisation to go into all the reasons. My simple answer is that we are not growing not because we don't want to grow.

CPI National Council Secretary Farooqi

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21 Apr 89 p 7

[Interview with M. Farooqi, secretary to the national council of the CPI [Communist Party of India], by Manini Chatterjee]

[Excerpt] [Passage omitted] [Question] Then, why do you feel the Janata Dal is a better bet than the Congress(I)?

[Answer] Because of the government's pursuit of anti-people and anti-democratic policies over the past four years, its failure to solve the Punjab problem, the failure to check the rise of communalism, the growing corruption, there is a lot of dissatisfaction with this government and the popular mood is this government must go.

We of the Left have to keep this in mind. After all, this dissatisfaction and discontent is justified. People want a change. Therefore, keeping this mood in mind we are trying to build an alternative which will tackle the people's problems, and defend secularism and democracy.

We have to be realists. What is emerging today as an alternative is the National Front, Janata Dal and some regional parties. Obviously, there will be a polarisation between the Congress(I) and the National Front. The Left has to throw its weight on the side of the National Front but pressurise it to adopt more clear-cut policies—domestic as well as foreign. This is a struggle and the struggle is going on. It requires more and more initiative on the part of the Left forces.

[Question] But you support the Congress(I)'s foreign policy....

[Answer] The Left as a whole is not taking a partisan attitude. It is supporting the foreign policy under Rajiv Gandhi as it did under Mrs Indira Gandhi. We support the foreign policy because it is in the interest of the nation and we would ensure its continuance under

another government which would come to power in the next elections. But the next elections will not be fought on the basis of foreign policy.

[Question] What do you think will be the major campaign issues?

[Answer] As far as we are concerned, we would like to project defence of secularism, defence of national unity, land reforms, curbs on monopolies, building up of a powerful public distribution system, curbing price rise, and immediate steps to meet the growing unemployment especially among the education youth. Corruption in high places will also be an issue but not the only issue.

[Question] But Mr Rajiv Gandhi appears to be using the same theme of national unity in danger?

[Answer] Unfortunately, the experience of the past four years has shown that the government has not been able to safeguard national unity. In 1984, after Mrs Gandhi's assassination, the people did believe that unity was in danger. But this government has done nothing to solve the Punjab problem, or the Ramjanmabhoomi-Babri Masjid issue and it has compromised with communal forces for partisan ends. Its behaviour towards non-Congress(I) state governments can only undermine national unity. In Kerala, it has compromised with communal elements in Mizoram it fought the elections on a blatantly communal note and in Punjab it has tried negotiations with the terrorists. And at a time when a political campaign was going on against the terrorists by the Akali Dal (L) (Barnala government), the Centre played the communal card to win Hindu support in Haryana and dismissed the Punjab government.

On obscurantist issues such as sati in Deorala it took the Prime Minister 25 days to make a statement after everyone else had spoken on the incident. The Prime Minister is very fond of talking to the 21st century, but he compromises with the most obscurantist forces.

[Question] But what about the Janata Dal—will they be better?

[Answer] Well, the Left will be able to exert pressure on them.

[Question] But in the elections, why should they go with the Left rather than the BJP [Bharatiya Janata Party] when the Left has very little electoral strength in the north?

[Answer] Electorally, without the support of the Left they will not come to power. This is very obvious. If the National Front goes with the BJP, they will lose the support of the minorities and they cannot be sure of the support of the Scheduled Castes. Therefore, electorally also, they cannot go with the BJP.

[Question] But do you think the minorities are totally alienated from the Congress(I)?

[Answer] They are quite angry with the Congress and, if the National Front takes a proper attitude and does not go with the BJP, the possibility of the minorities supporting the National Front is much greater.

[Question] Since the CPI has declared that it will have no ties with the Telugu Desam, how will you cooperate with the National Front (of which the TDP [Telugu Desam Party] is a partner)?

[Answer] Our differences at the state level will not affect an overall adjustment at the national level.

[Question] In case the situation arises, will the CPI agree to be part of a coalition government at the Centre?

[Answer] The CPI is not thinking of joining a government led by the National Front. But from outside, we would like to exert pressure. We will decide on our attitude to the government (after the polls) on the basis of its programmes and policies. Obviously, it cannot be unconditional support.

[Question] And if the front decides to have an alliance with the BJP?

[Answer] Then we are out, we will fight it alone. If they have a political alliance, as in Haryana, on a national scale, we will be alone. There is no question of helping the Congress, so we will fight it alone.

[Question] Do you think the Thakkar Commission report will have a major impact on the elections?

[Answer] For us, the Thakkar Commission report is only one of the issues and not the main issue. Our priorities are different.

[Question] But if both the ruling party and the mainstream Opposition make it (Mrs Gandhi's assassination and the conspiracy theory) the major issue, won't the Left be isolated?

[Answer] It is wrong to imagine that people are not interested in their day-to-day problem (which we will address ourselves to). The idea behind raising the Thakkar Commission report issue is to relegate the real issues affecting the people. We will not allow that.

We know Mrs Gandhi could not have been assassinated without a conspiracy and we want to know the truth but it is not the only issue today. As for the assertion that only the Congress(I) is the saviour of national unity, the communists can claim with pride that we have been laying down our lives to defend national unity and on this issue we have never compromised. The Congress(I), on the other hand, will have to answer many things on the score of national unity.

Janata Dal Leader Surendra Mohan
46001495 Calcutta *THE TELEGRAPH in English*
17 May 89 p 6

[Interview with Surendra Mohan, Janata Dal leader, by Sankarshan Thakur]

[Text] [Question] As one who is involved with the preparation of the National Front's election manifesto, what do you think should be the major thrust areas of the next government?

[Answer] To my mind, one of the most important things is that the next government will have to respect the federal structure of the Constitution and will have to restore the Centre-state balance of power. This balance has tilted a lot in favour of the Centre after 1969. The economic viability of the states will have to be strengthened and various measures will have to be taken for that.

[Question] Will you specify what measures?

[Answer] For instance, most of the developmental functions will have to be given to the states. The states will, in turn, share those functions with the panchayati raj bodies and other centralised self-governing institutions. The Constitution shall have to be amended in order that panchayati raj institutions form yet another tier of the system. Everybody accepts that the zila parishads will play an important role and the gram panchayats, in my view, will also be important from the point of view of decentralisation. I do not know whether the various parties will accept this but I do not see how any genuine democratic development will be possible if the grassroot bodies are ignored. The grassroot bodies will have to be given part of the revenues.

[Question] The question of central-state relations has been the subject of debate for a long time and even the Sarkaria Commission report does not seem to have done much towards easing tensions. Do you have a specific proposal in mind in this regard?

[Answer] The issue really is how much do you allow the Centre to interfere in the affairs of states or the bodies down below. I think that if the powers and functions of various tiers are precisely defined, confrontation can be avoided. This will, of course, have to be worked out. Apart from this, there is also the question of giving autonomy to the public media, basically All India Radio and Doordarshan. Administratively speaking, structural changes in the federal structure and granting autonomy to the public media are the two major challenges before the next government.

[Question] What about political issues?

[Answer] The main political challenges of course if that stability has become a major issue. People have to be assured that the National Front government will be a stable government. This, of course, does not mean that

the Congress(I) does not face the same problem. In fact, under Mr Rajiv Gandhi, or for that matter, under his mother, Congress governments in the states have hardly been stable. In fact in his time, Mr Gandhi has changed chief ministers more than two dozen times. That is hardly stability. The second thing is that the relationship between the government and the people has to be redefined. We have to take a fresh look at questions relating to civil liberties and human rights issues. The recent trend has been that whenever challenges have arisen—they have arisen because of deprivation or a sense of injustice or unfairness—the government has responded by dismissing them as mere law and order problems. This is a wrong approach, particularly in a democracy. And the strategy has not worked because almost in all such cases the government has had to come to the negotiating table. So the best thing is to ensure that there will be dialogue rather than confrontation. The mentality of the political masters and the bureaucracy will have to change. Even the legal structure will have to be changed in respect to civil liberties. For example, laws like Misa and Tada which offend civil liberties will have to be withdrawn. I would think that it would be a good idea for the next government to look at some "unconventions" in this regard.

[Question] Do you feel the need for major changes in economic policy?

[Answer] Yes, the economic situation is not at all satisfactory. We will have to come up with an alternate strategy for social and economic development. Some people feel that any kind of development will lead to an egalitarian society. This is not a correct assessment. Development will have to be given direction. It will have to cater to socio-economic justice. Issues like unemployment and remunerative prices to farmers will have to be given serious attention. In the last few years the farmers and the rural sector as a whole have lost out very badly to injury and urbanisation. This will have to be corrected. I think that conscious strategy will have to be evolved on the expansion of industry and poverty alleviation. Another major issue is that of India's foreign debts. In 1982, our foreign debt amounted to Rs 24,000 crores. Now there are various estimates and according to some people it has climbed to Rs 91,000 crores. We should be able to say why this has happened. The main factor responsible to my mind, is foreign collaboration. The number of collaborations entered into between 1985 and 1988 is much larger than the number of contracts signed during the entire period of the Seventies and the early Eighties. And it appears that on the plea of modernisation and going to the 21st century, we have given up self-reliance. All this, again, has to be reversed. The most dangerous consequence of this mounting debt is that economic decisions for our country will be made abroad. The World Bank and IMF will start dictating policy. I am concerned that if these economic imbalances between the rich and the poor and between one region and another are not corrected, social peace in India will be distributed in a big way in the next decade.

[Question] To come back to the creditability and stability factor, with the example of 1977-79 behind you, is it not going to be difficult for you to convince the people about the viability of the National Front?

[Answer] Well, I think that this situation is different. In 1977, it was essentially a one-party government. Now it has to be a coalition government. Again, in 1977, the government was primarily a north Indian government whereas this time we are going to have substantial representation from the south. Regionally and geographically, it will be a much more balanced affair.

[Question] But can the idea of a coalition at the Centre be sold to the people?

[Answer] Well, I think that people have now seen through this stability propaganda of the Congress(I) because Congress(I) governments in the states have also proved to be very brittle. Probably not a single Congress(I) chief minister has been allowed to rule for more than three years. In contrast, a coalition government in West Bengal is much more stable. Jyoti Basu's government is in fact more stable than Rajiv Gandhi's government because he has not been forced to reshuffle his cabinet as many times as Rajiv Gandhi. Even in Kerala, the coalition has proved to be very stable. I think people are ready to accept any government which will attend to their real needs.

Janata Dal Leader Biju Patnaik

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[Interview with Biju Patnaik, Janata Dal leader, by S. P. Nanda]

[Text] [Question] Do you expect the Congress(I) government to be thrown out at the next polls and a government of your choice installed?

[Answer] The Rajiv government is systematically engaged in destroying it through unprecedented corruption, despotic and autocratic behaviour, recklessness in public affairs, both internal and external, fleecing the nation to bankruptcy with a foreign debt mounting to Rs 90,000 crores as estimated by the International Monetary Fund officials, importing all kinds of goods and forsaking the nation's basic tenet of swadeshi. Besides, there are problems of skyrocketing prices of essential commodities, mounting unemployment of rural marginal farmers and landless labourers and 35 million educated youths without any hope of employment. The situation has further worsened with a host of instances of colossal waste of public funds on frivolous and avoidable activities. The ruling party has been deliberately fomenting religious and ethnic differences among people following the colonial policy of divide and rule. All this has had a cumulative effect in that an overwhelming majority of people have lost confidence in the Congress party and its leadership.

[Question] What kind of government would you like to see after the elections?

[Answer] I would like a government which is capable of breaking away from the present colonial pattern of administration which we have lamentably inherited from our British rulers and drastically streamlining it to effectively serve the cause of over five hundred million citizens of India wallowing in filth, poverty, with no steady source of income, virtually starving all around the nation. The administration should be so trained as to forever give up its tendency to rule and replace it by a conscious tendency not only to serve the cause of the oppressed masses but also to stand firm and incorruptible in the cause of justice and fairplay to the poorest of the poor. Irrespective of who become ministers, chief ministers or Prime Minister, unless there is a sea change in the attitude of the administration from top to bottom, the forsaken millions will remain at their present status without any hope of resurrection within a foreseeable period of time.

[Question] Do you think the Opposition parties will be well united to bring about these changes in the administration?

[Answer] I do feel that the combined (Opposition) forces are now emerging and coalescing among themselves under different names and styles such as the Janata Dal, the DMK [Dravidian Progressive Foundation] of Tamil Nadu, the Telugu Desam of Andhra Pradesh and the Asom Gana Parishad of Assam into a National Front with a clear-cut policy of altering the entire administrative apparatus to serve the cause of the poor masses and, in this process, drawing upon the leftist forces as natural partners in the new concept of national adventure. It (the National Front) can not only obliterate the present corrupt and decadent and self-serving Congress(I) government, but truly aim at dividing the responsibilities of administration of this great nation adequately between the central authority, state authority and the panchayat system as the third tier of the national government.

[Question] What would be the major election issues for the Opposition to influence the voter?

[Answer] The total failure (on the part of the present government) on various fronts. Take the example of Punjab. Rajiv sacked the elected government. Has he managed better, with more power, with the Army and all that? The answer is no. Our election plank will be that the day the new government assumes power at the Centre, the Punjab problem will automatically evaporate and the talk of an independent Khalistan will take a back seat. We would tell the electorate that the fissiparous tendencies are encouraged by this Congress(I) government which follows the British tenet of divide and rule. The Congress(I) government's policy is causing tremendous hardship to the people and endangering lives and property in the Northeast. The new government will reverse this policy to curb divisive forces and bring every

citizen of these states to the national mainstream. We shall point out the total failure of this government's action in sending out a sizeable chunk of our armed forces to Sri Lanka, ostensibly to save the Tamils from the Sinhalese oppression but ending up with not only annihilation of the same Tamils, whose interests we profess to serve but, in the process, destroying the lives of nearly 2,000 of our valued jawans. We would tell (the electorate) that this is a stupid experiment of a vainglorious young man which is costing the nation Rs 10 crores a day while innumerable villages go without drinking water, electricity and education.

We would pinpoint the total corruption at all levels, starting from the Prime Minister to the lowest village official. We would say that the new government, no sooner it comes to power, would open up all the secret accounts of all the ruling luminaries of today and bring this huge fund to the service of the nation's poor. We would say that all this ill-gotten wealth, which runs into thousands of crores of rupees, would be adjudicated and appropriated to the consolidated fund of the nation and the states. We shall point out why the Thakkar Commission report is being hidden and why the Opposition is not being permitted to take a deeper look into the scandals of Bofors, German submarines and British Westland helicopters. All these scandals will be opened up when the new government is installed.

[Question] What are the positive socio-economic measures you would present before the electorate for implementation by your government?

[Answer] We would tell the people that farmers have not got justice in the hands of the present government. During the last 10 years, while the nation has been smarting under the foreign debt trap, 90 percent of our farmers who are small landholders are unable to carry the burden of their debt and its mounting interest. They should look forward to a better future under the new government. The right to work which has been denied to the people will be restored by the new government.

The new government will also harness the nation's natural resources and convert them into wealth and sources of employment. The mad rush for centralisation by the present Prime Minister will be reversed in the same way as the Janata government in 1977 restored freedom of expression which the people were robbed of by the Indira government. Women, who constitute 50 percent of the nation's population, will be given more authority and a share in the power structure from the panchayat level to the legislature, both in the states and at the Centre. They must have a reservation of at least 30 percent of seats at all levels and a similar representation in the government, semi-government and municipal services.

[Question] Do you think the people are now as much disillusioned with the Congress as they were in 1977 and determined to oust its government at the next polls?

[Answer] In 1977, it was an emotional decision by the masses. The leaders of the Opposition were locked up in jail for one-and-a-half years for no reason but for their crusade for socioeconomic justice for the poor. But in these 10 years, the electorate has become more alert and discerning. With the advent of the young people of the 18-21 age group in the electoral system, the voters will become even more discerning and an overwhelming majority (of these young voters) will vote against the ruling party because of corruption and misuse of power at all levels (of the present administration). They (the young voters) have the energy and determination of fight injustices. I honestly feel the future of the Congress(I) is very dim indeed. Today, they don't have the will of the people on their side at all. All they are doing now is giving out doles in various schemes especially to Adivasis and Harijans in a bid to safeguard their fast-eroding base.

[Question] Should the BJP [Bharatiya Janata Party] form part of the Opposition electoral alliance?

[Answer] I asked one of the BJP stalwarts the other day why their party's performance was so poor in Rajasthan, Haryana, Madhya Pradesh, Maharashtra and Gujarat (in the last general elections). Indira's demise was one factor which created sympathy (for the Congress-I), but it was not the only factor because of which the BJP had such a poor electoral showing. He (the BJP leader) had really no answer.

In my opinion, the BJP is now playing the role of extreme Hindu chauvinism. It does not seem to realise that the Hindu mind is not vicious, that it is tolerant, and for centuries, Hindus and other religious sections have lived in peace and harmony with respect to each other. To rake up a conflict can serve the purpose of the few for a short time but it can never become a permanent psyche for the Hindus. We will certainly resist to the full any tendency at any level to create divisions in the nation.

[Question] Will you favour an adjustment of seats with the BJP?

[Answer] It is a moot point. It has to be carefully studied—which are the constituencies where they (the BJP) can really win. (But) who are the BJP's real masters? The RSS. The RSS chief sometimes says the Congress(I) is a good party and then goes on to deny it. So we have to be careful to these elements who seek to destroy the tranquility of the nation. If the genuine forces (in the BJP) came together, as is the case in some areas, it is better to leave the BJP alone to fight the Congress(I) alone. It will certainly be worthy of our consideration.

[Question] What do you think about the BJP's proposed alliance with the Shiv Sena of Maharashtra?

[Answer] Because the BJP is so weak psychologically, it wants to catch every straw. The BJP, as such, has no inherent strength, they are a party without a mind. The party's headquarters is in Delhi but it is controlled by Nagpur (the RSS headquarters). The BJP's tie with the Shiv Sena is dictated by Nagpur. It is a great pity, because the BJP still has some great nationalists (within its fold).

[Question] Do you want to say that the BJP is growing more communal?

[Answer] Why don't the people vote for them? Why is their base steadily eroding?

Janata Dal Leader Madhu Dandavate
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[Interview with Madhu Dandavate, Janata Dal leader, by Tushar Bhatt]

[Text] [Question] What kind of government would you like to see after the next general election?

[Answer] Firstly, my ideas come more clear against the background of what is happening today. I would like to see a government—and an order—which is totally different from what we are experiencing today. In other words, I would like to resurrect the entire dream that we had when we fought for the country's freedom and we fought in the socialist movement for an egalitarian and just society. Starting from the question of freedom we felt that after the termination of the Emergency in 1977 the threat to civil liberties and freedom had totally vanished. I am very sorry to say that under the aegis of a number of draconian laws the civil liberties are being sought to be suppressed and a backdoor Emergency in one form or another is coming to stay. Even the very foundations of parliamentary democracy are being rocked. No surprise that some of the members of the Cabinet themselves are strangely propagating a presidential form of government, not realising that whatever be the merits of it in a developed country in developing countries of Asia and Africa every presidential form has degenerated into some form of dictatorship. As far as the economic objectives are concerned, I would like to have a government which will have the will to eradicate poverty and try to ensure at least relative equality in the country in social and economic fields.

[Question] Do we have the instrument to bring about such a government, in place of the government which is there?

[Answer] You see, this is a very old controversy. Please do not misunderstand but when we were struggling for independence, Winston Churchill had said he did not think this country was capable of wielding freedom. But when we became independent, we proved we had the necessary framework and infrastructure to continue the

administration of the country. No doubt, in course of time, because of rudderless economic policies, drift in policies, we went astray. But even after one of the world's greatest partitions, stability was brought about, princely states were integrated.

[Question] But, at that time we had Mahatma Gandhi, Sardar Patel, Nehru and so many other leaders. Do we see around us such a leadership?

[Answer] Gandhis and Jayaprakashs are born once in a century, but the legacy can continue for hundreds of years. I do feel that even today in this land of Gandhi and Buddha, despite all degradation and denunciation of Democratic Institutions in the country, their legacy will continue to inspire us. Today there might be any number of faults as far as the politicians of various parties are concerned but often the people forget—and I made a special study—that there are more than 2000 to 3000 voluntary action groups in the country working in different rural parts of India who are dedicated and devoted to certain specific social and economic objectives, they have a commitment in life and they are doing their job, not advertised in newspapers and not seen in radio or TV. They are functioning with dedication, and close to the grassroots level. It is only a question of integrating this force.

[Question] Do you foresee any possibility of this force being integrated into the political process in the next six months or so by which time there will be the general elections?

[Answer] This is a long-term programme, and I do not think it comes about in a few weeks or months. But I think power motivated politics—fully of rejection of values—has reached a saturation point, and, to use, the Marxian terminology, capitalism will grow to its highest state of development and at that stage it will explode and out of that will come a process of transformation in terms of values. I also feel that the people have seen such a vulgar and distorted picture of valueless politics that at some stage an explosion of this structure of politics will take place, and that may blaze a new path and that is the hope an optimist like me has. That is why a man like me does not go to the Himalayas, retire from politics. I have faith in the will and urge of human beings to build a new society on values.

[Question] But many people say the hope for such a change had been generated in 1977 but there was a consequent disillusionment because the Janata experiment failed. What do you suggest so that this failure is not repeated?

[Answer] In 1977, what might have failed is our capacity to hold on to people of slightly different perspective together and also try to restrain their personal ambition. I am one among those who believe that history does not repeat itself because society does learn a lesson from history. There is an old hackneyed slogan that history

repeats itself but I feel history does not repeat itself, but learns and tries to take a different course, sometimes willingly and sometimes under social and public compulsion. I think that the type of criticism and responses that are developing among the people, even among those who have been the victims of politics of opportunism and manipulation, will make everyone draw a lesson.

[Question] Looking to the growth of regional parties in the past few years, do you think the people are losing faith in the capability of all-India parties to deliver goods?

[Answer] I do not think regional parties are cropping up on a very large scale. If regional parties have cropped up, it is the sin of national parties. In a federal polity, decentralised economy, devolution of authority, it is necessary to reconcile legitimate regional aspirations with the wider national aspirations. I do not feel that all regional aspirations are anti-democratic and perverse. There are legitimate regional aspirations and if national parties do not take cognisance of those aspirations and try to reconcile them with national aspirations, a vacuum is created in a region and regional parties come up. I will give you the example of Assam. The question of aliens came up, a question of national importance and one mistake committed by national parties, including my own party, was that they kept themselves away from the struggle and allowed it to be handed over to students. They remained passive. Naturally, national parties were routed in the elections.

[Question] Why is it that parties like Janata Dal have to look to former Congressmen—expatriates—to lead them?

[Answer] In 1977, when fighting against the Emergency regime, did we not accept all those Congressmen who were prepared to revolt? The genuine old culture of the Congress—I mean, Gandhiji's Congress—is what we represent today. For instance, Chandra Shekhar till his arrest during the Emergency was a Congressman. He represented the shining tradition of the Congress.

[Question] But some argue that Mr V. P. Singh and Mr Arun Nehru represent the shining tradition of those very days of Indira Gandhi and nothing further.

[Answer] I do not agree. Even they have seen the contradictions between the days of Indira and Rajiv Gandhi. Conscience cannot always be suppressed. At different stages the realisation comes. V. P. Singh gave up power himself. He and other have come to the wilderness from power.

[Question] What role do you foresee for parties like the BJP in the next election?

[Answer] I am one of those who feel that the Opposition unification has to be a three-layered—or three-tiered—process. The lowest tier is those who fully share perspectives, policies and values. They should merge together. The next tier is those who are not so close as to give up their

identity of their instrument can have a programmatic alliance, a united front based on common programme. The third tier is of those who might not be part of a front but can participate in the common struggle on specific issues. And, outside these three layers, there is one more—you can say, the outer space, to use the physics terminology—it will belong to those who subscribe to the mechanical process of avoiding a multi-angular fight. Probably the BJP [Bharatiya Janata Party] may fall in that category.

[Question] Will the communists fall in the same category?

[Answer] Yes, I think they will do it ultimately. Even in adjustments they try to bring in politics. They say certain things. When the Rajya Sabha elections took place, they said we would have no direct adjustment with the BJP. Then they asked the Andhra Assembly members to give their votes to the BJP in such a way that indirectly division of votes was made beneficial to all. In Haryana, they made an adjustment with Devi Lal's Lok Dal which itself had an alliance with the BJP.

[Question] What kind of fate do you foresee for the Congress in the election?

[Answer] I tell you I fully agree with a magazine opinion poll in which even in the pessimistic picture it was shown that gone are the days for a brute majority for the Congress. This is if alliances and other adjustments do not take place in sufficient measure. But even then the gap between the Congress(I) and the Opposition will not be very big. If these alliances, mergers and adjustment did take place, then I feel the Rajiv government would be out.

[Question] The Opposition's problem appears to be that there are not many "dreamers" like you.

[Answer] I always believe that even while lying in the gutters, it is better to look at the stars and dream because only when you dream the motivation for action can come.

NEPAL

Nepal: Politicians Call for Prime Minister's Resignation

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[Text] Sixty-five members of the Rashtriya Panchayat [Parliament] of Nepal have demanded the resignation of the prime minister, Mr Marich Man Singh Shrestha, accusing him of reaping personal benefits out of the current impasse in the Indo-Nepal relations. The members have strongly condemned Mr Shrestha for his failure to solve the crisis in Indo-Nepal relations and broaden the unity among the politicians under the panchayat system.